FEDERAL BUREAU OF INVESTIGATION
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FD-36 (Rev. 5-22-64)

FBI

Date: 6/15/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (92-3116) (~~62-318~~)

FROM: SAC, SPRINGFIELD (92-209) (66-2663) ~~(P)~~

FRANK PETER BALISTRIERI, Aka.
AR
ELSUR - DISCLOSURE MATTER

(CO: MILWAUKEE)

Re Springfield teletype to Bureau, dated 6/14/67; report of SA CARLYLE N. REED, dated 4/18/67, at Milwaukee.

AT SPRINGFIELD, ILLINOIS

On 6/15/67, AUSA [redacted] SDI, advised the defense attorney for subject completed filing motions before USDJ OMER POOS in USDC, SDI, on 6/14/67. [redacted] stated the motions for new trial, arrest of judgment, and judgment not withstanding verdict made by the defense attorney were denied by Judge POOS, and in effort, all motions made by the defense were denied.

b6
b7C

3 - Bureau (92-3116 (62-318)
2 - Milwaukee (94-316)
3 - Springfield (2 - 92-209)
(1 - 66-2663)

REC- 19 (92-3116)-537

JRP/epp
(8)

19 JUN 19 1967

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

SI 92-209

LEAD:

SPRINGFIELD

Will follow and report sentencing.

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	7/6/67	4/10-6/27/67

TITLE OF CASE	REPORT MADE BY	TYPED BY
FRANK PETER BALISTRIERI, aka	SA CARLYLE N. REED	mcm

CHARACTER OF CASE

AR

REFERENCES

Report of SA CARLYLE N. REED, at Milwaukee, 4/18/67,
Springfield airtel to Bureau and Milwaukee, 6/15/67.

- P -

ENCLOSURES

To The Bureau:

Two copies and to Springfield, two copies of a letterhead memorandum characterizing informants utilized in this report.

ACCOMPLISHMENTS CLAIMED						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED _____ SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

(3) - Bureau (92-3116) ~~(Encs. 2)~~ (RM)
1 - USA, Milwaukee
2 - Springfield (92-209) (Encs.2) (RM)
2 - Milwaukee (94-316)

92-3116-538

REC-35

EX 10

15 JUL 10 1967

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2529
By.	

62 JUL 25 1967

Notations

INTEL. STAT. SECT.

MI 94-316

LEADS

SPRINGFIELD DIVISION

At Springfield, Illinois

Follow and report sentencing of subject in USDC, SDI, on Federal Income Tax conviction and/or the filing of any further motions or appeals by defense counsel for subject.

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Follow and report subject's activities where pertinent as furnished by informants and sources.

ADMINISTRATIVE

The investigative period of instant report predates referenced report due to unavailability of channelized information at the time the referenced report was prepared.

MI 94-316

INFORMANTS

Identity	Date Contacted		Contacting Agent(s)
MI T-1 is [redacted]	April 11, 1967		CARLYLE N. REED and [redacted]
	May 11, 1967	b6	CARLYLE N. REED
	June 9, 1967	b7C	CARLYLE N. REED
		b7D	
MI T-2 is [redacted]	April 10, 1967		CARLYLE N. REED and [redacted]
	April 20, 1967		CARLYLE N. REED and [redacted]
MI T-3 is MI [redacted]	April 18, 1967		CARLYLE N. REED, and [redacted]
	May 2, 1967		CARLYLE N. REED
	May 16, 1967		CARLYLE N. REED
	June 27, 1967	b6	CARLYLE N. REED
		b7C	
MI T-4 is [redacted]	April 10, 1967	b7D	CARLYLE N. REED and [redacted]
	June 8, 1967		CARLYLE N. REED and [redacted]
MI T-10 is [redacted]	May 12, 1967		CARLYLE N. REED and [redacted]

INFORMANT INFORMATION NOT INCLUDED IN DETAILS OF REPORT TO PROTECT INFORMANTS FROM BEING COMPROMISED

MI T-3 furnished the following information on April 18, 1967:

Informant was asked about [redacted] b7D
Milwaukee LCN [redacted] FRANK BALISTRIERI

[redacted] b7D

On May 2, 1967, MI T-3, advised as follows:

On May 1, 1967 [redacted] Milwaukee LCN family [redacted] Informant gave [redacted] b7D

On May 1, 1967 [redacted] in the Milwaukee LCN family, suggested that a group of the Milwaukee family members [redacted] b7D do not know what is going on, if anything [redacted] suggested that it should be brought up [redacted] that BALISTRIERI [redacted] the family members. [redacted]

Informant noted that at present, for all practical purposes, insofar as the general membership is concerned, the LCN family is doing nothing in Milwaukee.

On April 30, 1967 [redacted] told the informant that according to [redacted] b7D

Informant pointed out [redacted] doesn't care whether there is an LCN family in Milwaukee, and also

that because of the Milwaukee family's complete domination by FRANK BALISTRIERI, there actually is no family as they were known as in the good old days.

On May 16, 1967, MI T-3 informed as follows:

Milwaukee LCN family members [redacted] another member, expressed disgust with FRANK BALISTRIERI because [redacted] BALISTRIERI doesn't seem to want to help [redacted] b7D also expressed disgust with BALISTRIERI's leadership. Informant pointed out that this is a general feeling among most of the old-timers of the Milwaukee family [redacted] BALISTRIERI would probably lose a lot of his Chicago organization backing because of the conviction of top leaders there such as BATTAGLIA and the absence of SAM GIANCANA.

Regarding recent newspaper publicity concerning a controversy between Milwaukee Officials and State of Wisconsin Officials as to whether or not there is organized crime in existence in the State of Wisconsin, informant pointed out that, of course, there is the LCN family in Milwaukee, run by FRANK BALISTRIERI, who gets a cut of some gambling operations and in the past, may have on occasions, obtained some pay offs by muscling; further, there is an LCN family in Madison, Wisconsin, although it is not known to be active.

On June 27, 1967, MI T-3 further advised:

On June 17, 1967, FRANK BALISTRIERI went to New York City and returned to Milwaukee on June 22, 1967. Informant [redacted] b7D These individuals do not know the exact reason for BALISTRIERI's trip to

New York City; however, they speculated that BALISTRIERI may have gone to New York City concerning what would be done about a boss for the Milwaukee family should BALISTRIERI receive a prison sentence on his Federal Income Tax conviction. According to [redacted] JOE BONANO is stronger than ever in the organization in that area (BONANO is acquainted with BALISTRIERI with BONANO having had past business interests in Wisconsin, particularly in the cheese business in the Fond du Lac, Wisconsin, area). [redacted] BALISTRIERI [redacted] BALISTRIERI, was sentenced to prison. BALISTRIERI anticipates the possibility of as much as a five-year sentence. BALISTRIERI, [redacted] made statements that there [redacted] BALISTRIERI claimed that this operation is now going on all over the United States. b7D

BALISTRIERI, according to informants sources mentioned above, claims that [redacted] pleaded guilty [redacted] to protect others in the outfit (LCN). Informant said this is contrary to past practices when it was understood among family members that members would not enter guilty pleas to criminal charges. b7D

Informant said that in the past, BALISTRIERI, as boss of the Milwaukee family, has been under the direction of the Chicago family; however, it now appears that because of the upheavals in the Chicago family as a result of convictions of leading members there, both Milwaukee and Chicago may presently be receiving instructions from New York City, as far as family leadership is concerned.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, MILWAUKEE

Report of: SA CARLYLE N. REED Office: MILWAUKEE
Date: JULY 6, 1967

Field Office File #: MI 94-316 Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: On 5/15/67, subject's attorney in USDC, Springfield, Illinois, filed motions to set aside subject's income tax conviction or grant a new trial. On 6/14/67, the court rejected these motions, and ordered presentence investigation. BALISTRIERI continues to operate five downtown Milwaukee nightclubs, two of which are reportedly operating at a loss. Subject described in recent Chicago, Illinois, newspaper article as the king of the rackets in the Milwaukee area and as the man in Wisconsin whom Federal investigators would most like to remove from the crime scene, as he is linked to the top level in the Chicago syndicate. One informant is of opinion that subject [redacted] b6 b7C b7D An informant reported that FELIX "Milwaukee Phil" ALDERISIO has allegedly supplied funds for payment of subject's defense counsel, MAURICE WALSH of Chicago, Illinois. [redacted] are seen on occasion with subject at one of his (BALISTRIERI's) nightclubs. Subject and STEVE DE SALVO continue their association.

- P -

DETAILS:

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

MI 94-316

SUBJECT'S FEDERAL INCOME TAX CASE
AND RELATED INFORMATION

On April 18, 1967, MI T-3 advised as follows:

Informant learned that FRANK BALISTRIERI was

[redacted]

The informant said there were rumors [redacted] b7D

Since this did not work out, BALISTRIERI [redacted]

On April 10, 1967, MI T-4 advised that he has heard rumors to the effect that FELIX "Milwaukee Phil" ALDERISIO has allegedly been supplying the funds to pay the substantial attorney fees for the services of MAURICE WALSH of Chicago, Illinois, the principle attorney for BALISTRIERI in his Federal income tax case.

On May 12, 1967, MI T-1 advised that he could not understand where and how BALISTRIERI could get enough money to defray the many expenses he has had including attorneys fees during his trial at Springfield, Illinois. The informant expressed the opinion that the funds may have come from BALISTRIERI's close association with "Milwaukee Phil" ALDERISIO, a Chicago, Illinois, hoodlum leader.

It is noted in the May 16, 1967, issue of "The Milwaukee Journal", a Milwaukee, Wisconsin, daily newspaper, attorneys for FRANK PETER BALISTRIERI filed twenty-two reasons (objections) on May 15, 1967, as to why BALISTRIERI's Federal income tax conviction should be set aside or a new trial held. BALISTRIERI's attorney, MAURICE WALSH, contended that the court errored in denying motions for dismissal for the case and pointed out that the indictment was obtained by the use of evidence obtained "by burglary, illegal search, and electronic installations on the private premises of defendant and his attorney, and by interception of telephone calls to and from his attorneys".

On July 14, 1967, United States District Judge OMAR T. POOS at Springfield, Southern District of Illinois, rejected BALISTRIERI's motions for a new trial after conviction in this court on March 23, 1967. Judge POOS ordered a presentence investigation of BALISTRIERI. Judge POOS in response to defense attorney WALSH's arguments stated he thought the court had done a good job in keeping any "tainted" information obtained from the use of electronic devices out of the trial record.

NIGHTCLUB OPERATIONS

On May 11, 1967, MI T-1 furnished the following information:

FRANK BALISTRIERI has been giving thought to closing one of his five downtown Milwaukee nightclubs, and the one to be closed might possibly be the Downtowner or Le Bistro. Informant said the Downtowner and Gallaghers are making money, the Ad Lib and Le Bistro have been losing money, and the Scene has been just about breaking even. There is considerable disagreement by [redacted] how to successfully operate these nightclubs; however, FRANK BALISTRIERI will not listen to suggestions [redacted] b7D

Informant also said that FRANK BALISTRIERI is

[redacted] b7D

On June 9, 1967, MI T-1 advised as follows:

DOMINIC FRINZI, a Milwaukee attorney who has represented FRANK BALISTRIERI [redacted] b7D

MI T-1 also advised that FRANK STELLOH, an ex-con and hoodlum, still works as a handy man supervising the custodial employees at BALISTRIERI's nightclubs; further STEVE DE SALVO maintains almost daily contact with FRANK BALISTRIERI at the Scene. MI T-3 has identified [redacted] b7D

THE MILWAUKEE "OUTFIT" AND RELATED INFORMATION

On April 10, 1967, MI T-4 advised as follows:

Informant learned from [redacted] b7D PETER BALISTRIERI will be the "boss" of the Milwaukee "outfit" if his brother FRANK BALISTRIERI is sentenced to prison on his Federal Income tax conviction. This opinion was allegedly based on the fact that PETER is the brother of FRANK BALISTRIERI.

MI T-3 has advised in the past that "the outfit" is synonomous to the terms the Mafia, the Organization and La Cosa Nostra.

On April 18, 1967, MI T-3 advised that JOE CAMINITI, a Milwaukee "outfit" man, continues to be in frequent contact with FRANK BALISTRIERI at the Scene where [redacted] are also seen with BALISTRIERI. Informant had no knowledge of any illegal activities on the part of CAMINITI and pointed out that CAMINITI has a good position with a Teamster Union local and does not want to jeopardize that position. b6 b7C

On June 8, 1967, MI T-4 advised that in late May, 1967, FRANK BALISTRIERI's son, JOE, who is a young attorney, was in downtown Milwaukee with another young man whom JOE introduced and identified as an attorney and a nephew of MARSHALL CAIFANO of Chicago, Illinois. MARSHALL CAIFANO has been publicly identified as a hoodlum leader in Chicago who just recently entered a plea in Federal Court in Chicago on charges of Interstate Transportation of Fraudulent Securities. Informant did not know of any significance to this association, but JOE BALISTRIERI and CAIFANO's nephew seem, to him, just apparently friends.

The June 11, 1967, issue of the "Chicago Sun-Times", a Chicago, Illinois daily newspaper, carries an article entitled, "United States Agents Launch Clean-up of Midwest Mob". This article identifies alleged crime syndicate leaders in Iowa, Indiana, Wisconsin, Missouri, and downstate Illinois. As Wisconsin crime syndicate leader, the article identified FRANK (FRANK BELL) BALISTRIERI, age 49, as "King of Rackets in the Milwaukee area", who rates as the Wisconsin man that Federal investigators would most like to remove from the crime scene. Further, his original underworld "sponsor" was identified as Chicago hoodlum "Milwaukee Phil" ALDERISIO. The article further states that according to insiders, BALISTRIERI has maintained links

with the top-level and the Chicago syndicate since assuming control of Milwaukee's rackets in the early 1950s.

GAMBLING TIES

On April 20, 1967, MI T-2 advised as follows:

It was the informant's understanding that FRANK BALISTRIERI was [redacted] Informant said that BALISTRIERI did not want [redacted] According to the informant, the Milwaukee police thought that BALISTRIERI [redacted] b6 b7C b7D

On June 8, 1967, MI T-4 expressed the opinion, based upon his general knowledge of the situation, that FRANK BALISTRIERI has as his main source of income his cut or take from local gambling operations in the Milwaukee area. Informant further stated [redacted] b7D

Regarding BALISTRIERI's cuts or pay offs from gambling, informant [redacted] b7D

MISCELLANEOUS

On April 10, 1967, MI T-2 advised that Milwaukee gambler [redacted] b6 b7C at Milwaukee, [redacted] was held the same date at FRANK BALISTRIERI's downtown Milwaukee supper club known as the Scene. Informant said that most of the local gambling and hoodlum crowd made their appearance at this reception including FRANK BALISTRIERI, who was accompanied by his wife.

On April 11, 1967, MI T-1 informed as follows:

FRANK BALISTRIERI has had to do some cleaning up in one or more of his Milwaukee downtown nightclubs because of conditions which would not pass inspection by the City Health Department. Informant noted that he knows of no other unusual information as far as BALISTRIERI and his nightclub operations are concerned and apparently BALISTRIERI is waiting the results of his motions after his Federal income tax conviction.

FRANK BALISTRIERI [redacted] b6 b7C has been working for [redacted] JOE, in his Milwaukee law office.

On April 10, 1967, MI T-4 advised as follows:

Mrs. FRANK BALISTRIERI was very angry and upset upon learning that her husband was convicted on Federal income tax charges at Springfield, Illinois, (in March ,1967). Informant said it appears that FRANK BALISTRIERI is trying to keep his son, JOE, the attorney, apart from his father's operations whether they be legitimate or otherwise.

On April 18, 1967, MI T-3, advised as follows:

On April 17, 1967, STEVE DE SALVO and FRANK BALISTRIERI met at the latters residence on North Shepherd Street, Milwaukee, the nature of this meeting being unknown.

This informant also reported that [redacted] reception for gambler JOE PISCIONE [redacted] was held at the Scene a FRANK BALISTRIERI operated nightclub and restaurant. b6 b7C

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
July 6, 1967

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
July 6, 1967

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

The following are characterizations of informants utilized in the report of SA CARLYLE N. REED, at Milwaukee, dated and captioned as above:

MI T-1 is a legitimate individual who comes in contact with hoodlums in Milwaukee.

MI T-2 is a hoodlum.

MI T-3 is a hoodlum.

MI T-4 is a legitimate businessman who comes in contact with hoodlums.

MI T-10 is an individual who has hoodlum associates.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-3116)(62-318) DATE: 7-21-67

FROM SAC, SPRINGFIELD (92-209) ~~(P)~~

SUBJECT: FRANK PETER BALISTRIERI, aka
AR
ELSUR - DISCLOSURE MATTER
OO: MILWAUKEE

Re Springfield airtel to Bureau, 6-15-67.

On July 20, 1967, USA, SDI, advised the sentencing date of subject has not at this time been set. USA indicated that Judge POOS is waiting for pre-sentence report to be completed after which a definite sentencing date will be set.

2 - Bureau
2 - Milwaukee (94-316)
3 - Springfield (2 - 92-209
1 - 66-2663)

JTG:VLS
(7)

EX-103

REC-9 92-3116-539

14 JUL 24 1967

UNREC COPY FILED IN 62-311

57 JUL 31 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	8/25/67	6/6 - 8/24/67

TITLE OF CASE	REPORT MADE BY	TYPED BY
FRANK PETER BALISTRIERI	SA CARLYLE N. REED	duz
	CHARACTER OF CASE: AR	

REFERENCES

Report of SA CARLYLE N. REED, at Milwaukee, 7/6/67;
Springfield letter to Bureau and Milwaukee, 7/21/67.

- P -

ENCLOSURES

TO BUREAU:

TO SPRINGFIELD:

Enclosed are two copies of a letterhead memorandum characterizing informants utilized in this report.

ACCOMPLISHMENTS CLAIMED						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☐ YES ☐ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☐ NO

APPROVED — SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-3116-540

REC-52

15 AUG 29 1967

EX-113

COPIES MADE:

3 - Bureau (92-3116) (Enc. 2) (AM-RM)

1 - USA, Milwaukee

2 - Springfield (92-209) (Enc. 2) (RM)

2 - Milwaukee (94-316)

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2324

54 SEP 8 1967

Notations

LEADS

THE SPRINGFIELD DIVISION

At Springfield, Illinois:

Follow and report sentencing of subject in USDC, SDI, on Federal Income Tax conviction and/or the filing of any further motions or appeals by defense counsel for subject.

THE MILWAUKEE DIVISION

At Milwaukee, Wisconsin:

Follow and report subject's activities where pertinent as furnished by informants and sources.

ADMINISTRATIVE

The investigative period of instant report predates referenced report due to unavailability of channelized information at the time the referenced report was prepared.

Status of subject's pre-sentence investigation was furnished voluntarily by AUSA FRANKLYN M. GIMBEL, Milwaukee, Wisconsin. Approximate time of sentencing of BALISTRIERI was noted in the local press at Milwaukee and is set for mid-September, 1967.

INFORMANTS

COVER PAGE

"B"

IDENTITY	DATE CONTACTED	CONTACTING AGENT(s)
MI T-1 is [redacted]	July 6, 1967	CARLYLE N. REED
MI T-3 is [redacted]	June 14, 1967 July 11, 1967 July 25, 1967	CARLYLE N. REED " "
MI T-4 is [redacted]	July 25, 1967	CARLYLE N. REED
MI T-11 is [redacted]	June 6, 1967	[redacted]
MI T-12 is [redacted]	June 13, 1967	CARLYLE N. REED

b7D

b6
b7C
b7D

INFORMANT INFORMATION NOT INCLUDED IN DETAILS OF REPORT

The following was not included in the details of this report to avoid any possible compromise of valuable current live informants, namely [redacted]

b7D

On June 14, 1967, MI T-3 [redacted] reported the following:

[redacted]

b6
b7C
b7D

[redacted] b7D

[redacted] b7D

[redacted] b7D

[redacted] wanted to try to get a meeting of the Milwaukee LCN family members and let the membership decide what to do about FRANK BALISTRIERI's disrespect for family members [redacted] b7D

Informant mentioned that BALISTRIERI continues to run the show as far as the Milwaukee LCN family is concerned.

On July 11, 1967, MI T-3 reported as follows:

On the night of Wednesday or Thursday, July 5 or 6, 1967, informant observed FRANK BALISTRIERI [redacted] b7D

MI 94-316

[redacted] b7D

On July 25, 1967, MI T-3 furnished the following information:

On July 23, 24, 1967, [redacted] any action that they might be able to do against BALISTRIERI, Milwaukee family boss [redacted] b7D done regarding leadership of the Milwaukee Family if and when FRANK BALISTRIERI should go to prison on his Federal Income Tax conviction on which he is currently awaiting sentencing.

[redacted] b7D

COVER PAGE

"E*"

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, MILWAUKEE

Report of: SA CARLYLE N. REED
Date: August 25, 1967

Office: MILWAUKEE

Field Office File #: MI 94-316

Bureau File #: 94-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: A confidential source identified FRANK BALISTRIERI as boss of the Milwaukee La Cosa Nostra (LCN) family. Unverified rumor that BALISTRIERI attended an LCN meeting in New York City recently. Another source identifies LEROY BELL alleged head of 6th ward vice and racketeering in Milwaukee as being close to BALISTRIERI and frequenter of BALISTRIERI's downtown Milwaukee night clubs. Chicago Illinois, newspaper article refers to subject as king of rackets in the Milwaukee area. This article reportedly incensed BALISTRIERI. Subject continues to operate Milwaukee night clubs with varying degrees of financial success. Sentencing of BALISTRIERI on Federal Income Tax conviction reportedly scheduled for mid-September, 1967, USDC, Springfield, Illinois. Reported current status of BALISTRIERI's gambling interests including "The Office" set out.

- P -

DETAILS: At Milwaukee, Wisconsin:

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

STATUS OF FEDERAL INCOME TAX CONVICTION

According to available information, the pre-sentence investigation of FRANK BALISTRIERI which followed his Federal income tax conviction has been completed and sentencing is scheduled for mid-September, 1967, in United States District Court, Southern District of Illinois, Springfield, Illinois.

LA COSA NOSTRA (LCN) DATA

On June 6, 1967, MI T-11 advised as follows:

FRANK PETER BALISTRIERI is the present boss of the Milwaukee LCN.

On July 25, 1967, MI T-4 reported the following:

This source said that four weeks ago, he could not be more specific as to the date, there was a top echelon "Outfit" (LCN) meeting in New York City according to rumors that this informant had heard in Milwaukee. Because this was entirely rumor, the informant could not vouch for the reliability of this information. The "Outfit" meeting was allegedly held on the top floor of a New York City hotel and was allegedly attended by FRANK BALISTRIERI, Milwaukee family boss, and FELIX "MILWAUKEE PHIL" ALDERISIO, a ranking member of the Chicago, Illinois, LCN family, along with other unidentified individuals.

SYNDICATE OR MOB OPERATIONS

The "Chicago Sun-Times," a Chicago, Illinois, daily newspaper, carried an article in its June 11, 1967, edition captioned "U.S. Agents Launch Cleanup of Midwest Mob."

This article referred to leaders of underworld operations throughout the Midwest as "a satellite" area outside of Chicago, Illinois. The article named these so-called underworld leaders in Des Moines, Iowa; Indiana; Kansas City, Missouri; East St. Louis, Illinois; and Wisconsin, particularly the Milwaukee area.

Regarding Wisconsin, this article noted that FRANK (FRANK BELL) BALISTRIERI, age 49, is considered the king of rackets in the Milwaukee area presiding over a string of gambling, vice, and strip-tease joints from his headquarters in one of his night spots. The article identified BALISTRIERI's underworld "sponsor" as Chicago hoodlum FELIX "MILWAUKEE PHIL" ALDERISIO, who has made frequent trips to Milwaukee. The article reported that BALISTRIERI has many links with the top level of the Chicago syndicate since assuming control of Milwaukee rackets.

Regarding the above article, MI T-3 reported on June 14, 1967, that he had heard that FRANK BALISTRIERI was highly incensed upon reading the above article about himself and expressed a desire to sue the newspaper.

GAMBLING INTERESTS

On July 25, 1967, MI T-4 reported the following:

Currently there are conflicting stores circulating among the gamblers in Milwaukee, regarding "The Office", a principal gambling interest of FRANK BALISTRIERI,,Milwaukee "Outfit" boss. This business is usually operated by ANTONIO CEFALU also known as SHERIFF CEFALU. One story is that the office, a gambling book headquarters, owes money and the other story is that it is ahead financially and is promptly paying off winners.

Major bookies in the Milwaukee, Wisconsin, area who are in the fold of FRANK BALISTRIERI's gambling interests and pay him indirectly for odds information or for the privilege of booking are the following:

ANTONIO CEFALU, who actually is employed by FRANK PETER BALISTRIERI handling the office;

TONY PETROLLE and TOM MACHI who are brothers;

FRANK SANSONE, also known as HOGAN;

[redacted] b6 b7C

STEVE DE SALVO, who works for BALISTRIERI as overseer of BALISTRIERI's various gambling interests.

NIGHT CLUB OPERATIONS

On July 6, 1967, MI T-1 advised as follows:

FRANK BALISTRIERI was out of town for about one week during the period about two weeks before the Fourth of July. (As set out elsewhere in this report, another source reported that FRANK BALISTRIERI was rumored to have been in New York City at about this time, allegedly attending an LCN meeting.)

Regarding BALISTRIERI's night club operations, MI T-1 advised the following:

"The Scene" located in the old Antlers Hotel has experienced a 30 to 40 percent decline in business, and this place is deteriorating. "The Scene" now caters to Negro clientele and noon lunches are no longer being served there; and this luncheon business has been transferred to BALISTRIERI's club on West Wells, known as the "Ad Lib."

The "Ad Lib" is probably doing about a break-even business as of this time.

"Gallaghers" is experiencing increased business and profit.

"The Downtowner" a cheap strip-tease joint continues to make money.

"Le Bistro" will probably close because of a downtown Milwaukee re-development project which encompasses the site of this night club. If this club is closed BALISTRIERI may try to line up a new spot, so he can transfer the Milwaukee City Licenses now covering "Le Bistro."

FRANK STELLOH, local ex-con, hoodlum, and strong arm man, continues to be employed in the capacity of supervisor of the maintenance crew and custodial forces at BALISTRIERI's five Milwaukee night clubs.

STEVE DE SALVO usually appears at the "Ad Lib" at night. DE SALVO has no active interest in the night club operations and as previously mentioned, he handles the gambling interests of FRANK BALISTRIERI.

[redacted] for FRANK BALISTRIERI, has been incapacitated recently due to a heart attack. b6 b7C

MISCELLEANOUS

On June 13, 1967, MI T-12 advised as follows.

This informant learned from another ex-con that as far as any vice and rackets are concerned in Milwaukee's Sixth Ward, nothing goes on without LEROY BELL's okay. BELL is well known in Negro vice circles in Milwaukee. According to the informant's source, LEROY BELL is known to FRANK BALISTRIERI and frequents the latter's downtown Milwaukee night clubs.

On July 11, 1967, MI T-3 reported that FRANK BALISTRIERI, Milwaukee LCN Boss, reportedly went to

Madison, Wisconsin, with his family on July 9, 1967, to attend a performance by FRANK SINATRA, who was appearing there at that time. BALISTRIERI is personally acquainted with FRANK SINATRA, the latter having made appearances in Milwaukee in the past.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
August 25, 1967

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
Milwaukee, Wisconsin
August 25, 1967

In Reply, Please Refer to File No.

FRANK PETER BALISTRIERI
ANTI - RACKETEERING

The following are characterizations of informants utilized in the report of SA CARLYLE N. REED, at Milwaukee, dated and captioned as above:

MI T-1 is a legitimate individual who comes in contact with hoodlums in Milwaukee.

MI T-3 is a hoodlum.

MI T-4 is a legitimate businessman who comes in contact with hoodlums

MI T-11 is an associate of hoodlums.

MI T-12 is a hoodlum.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. McAndrews

DATE: August 24, 1967

FROM : J.G. Leggett

SUBJECT: FRANK PETER BALISTRIERI
AR

Attached is a copy of a blind memorandum briefly summarizing the highlights of Balistrieri's background and current connection with organized crime activities in the Milwaukee, Wisconsin, area.

ACTION:

File.

ST 10

REC 30 92-3116-541

9 AUG 29 1967

ENCLOSURE

Enclosure

JGL:mfd
(2)

92-3116

August 23, 1967

Frank Peter Balistrieri

Balistrieri, a 49-year-old native of Milwaukee, Wisconsin, is reported by many reliable sources to be the leader of the La Cosa Nostra family, an Italian underworld group in the Milwaukee area. As such, he controls all racketeering in the area which includes bookmaking and other types of gambling, hijacking and various other local crimes including alleged gangland slayings and other violence.

He is married to the daughter of John Alioto, a former leader of the Milwaukee underworld element. It has been reported that Balistrieri acted as Alioto's lieutenant in underworld matters until 1962 when Balistrieri was made chief of the La Cosa Nostra in the Milwaukee area.

According to informed reports, Balistrieri is intimately connected with the underworld organization in Chicago, Illinois, which, until the recent past, was headed by Sam Giancana, a member of the notorious underworld commission. Balistrieri is said to exercise his position of dominance in the Milwaukee underworld with the direct sanction and approval of the Chicago underworld group. Felix Alderisio, a notorious lieutenant of Giancana and other Chicago underworld figures, has been identified as the individual acting in a liaison capacity between the Chicago underworld group and Balistrieri.

In addition, Balistrieri has been reported to be closely allied with the Italian underworld organization in Kansas City, Missouri, and several members of the organized crime group from that city have been identified as active participants in underworld activities in Milwaukee under the auspices of Balistrieri.

ENCLOSURE

Re: Frank Peter Balistrieri

Balistrieri has been engaged in the tavern and night club business since the early 1940's following his withdrawal from Marquette Law School in the first part of 1939. He currently is reported to have actual control of the following Milwaukee night clubs and cocktail lounges:

Gallagher's, 829 North 3rd Street
Le Bistro A-Go-Go, 821 North 3rd Street
The Downtowner Cocktail Lounge, 340 West Wells Street
Ad Lib, 323 West Wells Street
The Scene, 624 North 2nd Street

A source has reported that in addition, he possesses an interest in the Continental Music Company, Sam Dentice Music Company and Spero Amusement Company in the Milwaukee area, all of which enterprises operate coin amusement machines.

Associates of Balistrieri include Bustiano Veto Balestrere, a member of the Kansas City underworld hierarchy, who has been reported as the personal muscle man for Balistrieri; August Joseph Maniaci, member of the Milwaukee Italian criminal element, who is active in bookmaking, hijacking and many violence escapades; John Charles Rizzo, a criminal figure who reportedly controls gambling operations in Kenosha, Wisconsin, for the Balistrieri group, and Steve John DeSalvo, muscle man and gambling operator of Kenosha, Wisconsin.

In addition, Balistrieri is reported to maintain racket connections with his father-in-law, John Alioto, who is reputed to have been under the control of Anthony Accardo, former member of the underworld commission and boss of the Chicago underworld group. It has also been reported that Balistrieri has associated with Joseph Bonnano, described as another member of the notorious underworld commission and formerly head of a prominent La Cosa Nostra group in the New York City area.

Despite Balistrieri's conviction on Federal income tax charges, reports indicate that he continues to function as the head of the Milwaukee underworld. The June 11, 1967, issue of the Chicago Sun-Times, a Chicago, Illinois, daily newspaper, carried an article entitled, "United States Agents Launch Clean-Up of Midwest Mob." This article identifies

alleged crime syndicate leaders in several midwestern areas. As Wisconsin crime syndicate leader, the article identified Frank Balistrieri. He was described as "King of Rackets in the Milwaukee area." His links with the Chicago underworld were described including his alliance with Chicago hoodlum Felix Alderisio.

Best Available Copy

The Attorney General

September 13, 1967

Director, FBI

1 - Mr. DeLoach
1 - Mr. Bishop
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

With respect to the forthcoming sentencing of Frank Balistrieri in United States District Court, Springfield, Illinois, on September 13, 1967, an informant of our Milwaukee Office has reported that

b7D

b7D

This informant has also reported that Balistrieri will appeal his conviction regardless of whether he is given a prison sentence or placed on probation as he does not want to have a felony conviction on his record.

It will be recalled that the coverage maintained on Prinzi was the subject of a disclosure by the Government during the course of Balistrieri's trial for income tax evasion.

Any additional information in this regard coming to the attention of this Bureau will be promptly brought to your attention.

1 - The Deputy Attorney General

1 - Mr. Carl Eardley
Acting Assistant Attorney General

1 - Mr. Fred M. Vinson, Jr.
Assistant Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

AAS:mfd
(12)

NOTE: See J. H. Gale to DeLoach memorandum, same caption, 9/14/67, AAS:mfd.

MAILED 3
SEP 15 1967
COMM-FBI

EX-110 REC-40 92-3116-542

SEP 18 1967

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

62 SEP 20 1967

MAIL ROOM ☐ TELETYPE UNIT ☐

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
SEP 18 1967

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI SPRNGFLD

530PM URGENT 9-18-67 DJK

TO DIRECTOR (92-3116) AND MILWAUKEE (94-316)

FROM SPRINGFIELD (92-209) 1P

FRANK PETER BALISTRIERI, ANTI RACKETEERING AR. OO: MILWAUKEE.

SUBJECT SENTENCED BY JUDGE OMER POOS, USDC, SDI, THIS DATE., TO TWO YEARS IMPRISONMENT, FIVE THOUSAND DOLLAR FINE, COUNT ONE; TWO YEARS, FIVE THOUSAND DOLLARS FINE, COUNT TWO. SENTENCE TO RUN CONCURRENTLY, HOWEVER, FINE ACCUMULATIVE, MAKING FOR TOTAL OF TEN THOUSAND DOLLARS FINE PLUS COURT COSTS WHICH ARE APPROXIMATELY FOUR THOUSAND DOLLARS TO BE PAID BY SUBJECT.

MOTION FOR NEW TRIAL DENIED. FIFTEEN THOUSAND DOLLAR APPEAL BOND SET AND SUBJECT RELEASED ON APPEAL BOND.

END

WRD

FBI WASH DC

92-3116-543

EX 106

REC-14

15 SEP 19 1967

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. DeLoach

DATE: September 14, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Dominic Frinzi, a Milwaukee hoodlum lawyer, concerning whom the Department made a disclosure with respect to our microphone coverage of Frinzi in the income tax trial of Frank Balistrieri [redacted] b7D [redacted] until Balistrieri's sentencing in U.S. District Court, Springfield, Illinois, has been announced.

Balistrieri, the La Cosa Nostra boss in the Milwaukee area, was convicted of income tax evasion in the U.S. District Court, Springfield, Illinois, on March 23, 1967. During the trial of this case, the Department made disclosures with respect to the coverage maintained by the Bureau on Frinzi during the period from April to October, 1963. Balistrieri is scheduled for sentencing on September 18, 1967.

ACTION:

In view of Balistrieri's indication that he may be contemplating civil action as a result of the Department's disclosures of microphone coverage on his office, it is recommended that the attached memorandum be forwarded to the Attorney General with copies for the Civil Division, the Tax Division and the Criminal Division.

Enc. rec'd 9-15-67
1 - Mr. DeLoach
1 - Mr. Bishop
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

AAS:mfd
(6)

EX 106

REC 53 92-3116-544

54 SEP 27 1967

16 SEP 21 1967

NA 9-1867

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
SEP 18 1967

TELETYPE

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

FBI WASH DC

FBI MILWAUK
513PM URGENT 9/18/67 PJR
TO DIRECTOR (92-3116)
FROM MILWAUKEE (94-316) 1P

FRANK PETER BALISTRIERI; AR.

USA JAMES B. BRENNAN, EDW, MILWAUKEE ADVISED TODAY THAT BALISTRIERI APPEARED BEFORE USDJ OMAR T. POOS, USDC, SPRINGFIELD, ILL., AND WAS SENTENCED BY JUDGE POOS TO TWO YEARS AND FIVE THOUSAND DOLLARS EACH ON A TWO COUNT FEDERAL INCOME TAX CHARGE, SENTENCES TO RUN CONCURRENTLY. IN ADDITION, BALISTRIERI WAS ORDERED BY THE COURT TO WITHSTAND COURT COSTS IN THE AMOUNT OF FOUR THOUSAND SIX HUNDRED DOLLARS. BALISTRIERI POSTED FIFTEEN THOUSAND DOLLARS SURETY BOND AND EUGENE WALSH, ATTORNEY REPRESENTING BALISTRIERI, ADVISED HE WOULD IMMEDIATELY FILE APPEAL.

END

LRK

FBI WASH DC

92-3116-545

REC 22

SEP 27 1967

66 OCT 3 1967

Xerox-1

SPECIAL INVESTIGATIVE DIVISION

9/19/67

Balistrieri is the Milwaukee La Cosa Nostra boss who was convicted of income tax violations following hearings on our prior confidential coverage. Subject sentenced to two years on each of two counts to run concurrently and a total fine of $10,000 plus court costs.

McA:djg

FD-263 (Rev. 9-17-65)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
SPRINGFIELD	MILWAUKEE	10-6-67	9-18-67

TITLE OF CASE

FRANK PETER BALISTRIERI

REPORT MADE BY: SA [redacted] b6 b7C

TYPED BY: skt

CHARACTER OF CASE

AR

REFERENCE:

Springfield teletype to Bureau and Milwaukee dated 9-18-67.

- RUC -

ACCOMPLISHMENTS CLAIMED: none

Case has been: Pending over one year ☐ Yes ☒ No; Pending prosecution over six months ☐ Yes ☒ No

APPROVED

SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

3-Bureau (92-3116) (RM)
3-Milwaukee (94-316) (RM)
(1-USA, Milwaukee)
1-Springfield (92-209)

92-3116-546

REC- 66

8 OCT 10 1967

EX 104

Dissemination Record of Attached Report

Agency				
Request Recd.	1	CC. AAG, Criminal Division,		
Date Fwd.		Organized Crime and Racketeering		
How Fwd.				
By		Section, Room 2524		

Notations

NINE STAT. SECT.

53 OCT 17 1967

1 cc d&g

-A*-

COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Milwaukee

Report of: SA [redacted] Office: SPRINGFIELD
Date: OCTOBER 3, 1967

Field Office File #: SI 92-209 Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Subject sentenced 9-18-67, SDI, to two years imprisonment and $5,000 fine on count one and two years imprisonment and $5,000 fine on count two. Sentences to run concurrently. Fine accumulative for a total of $10,000 plus court costs of approximately $4,000. Sentences were in connection with indictment for Federal Income Tax evasion. Motion for new trial denied. $15,000 appeal bond set for subject and subject released on appeal bond.

-RUC -

b6
b7C

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SI 92-209

DETAILS:

On 9-18-67, subject, FRANK PETER BALISTRIERI, appeared before Judge OMER POOS, USDC, Southern District of Illinois, Springfield, Illinois, and was sentenced to two years imprisonment and $5,000 fine on count one and received two years imprisonment and $5,000 fine on count two of indictment in connection with Federal Income Tax evasion. The sentences are to run concurrently, however, the fines are accumulative, making a total of $10,000 plus court costs, which are approximately $4,000.

Motion for new trial was denied and $15,000 appeal bond was set and subject was released on appeal bond.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-3116) DATE: 1/29/68

FROM : SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: MILWAUKEE

On 1/25/68, Agent [redacted] Internal Revenue Service, Milwaukee, advised that counsel for FRANK BALISTRIERI, in the latter's appeal to the United States Circuit Court, had requested a delay to March 27, 1968, for the filing of briefs with the Appellate Court.

b6
b7C

The foregoing is submitted for the Bureau's information.

2 - Bureau (92-3116)
2 - Milwaukee (94-316)
CNR/kdb
(4)

REC-69 92-3116-547

JAN 31 1968

FEB 5 1968

5010-108-01

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	2/1/68	8/14/67 - 1/30/68

TITLE OF CASE	REPORT MADE BY	TYPED BY
"CHANGED" FRANK PETER BALISTRIERI, aka Frank Blankstein	SA CARLYLE N. REED	mk
	CHARACTER OF CASE AR	

Title "changed" to add aka FRANK BLANKSTEIN, a name used by subject on a hotel registration.

REFERENCES

Report of SA CARLYLE N. REED, Milwaukee, 8/25/67.
Report of SA [redacted] Springfield, 10/6/67.

b6
b7C

-P-

1-6541

REC-73

UNRECORDED COPY FILED

ACCOMPLISHMENTS CLAIMED None						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED Hec/my SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:
3-Bureau (92-3116) RM
1-USA, Milwaukee
2-Milwaukee (94-316)

XEROX
FEB 28 '68

72-3116-548 MCT-24

REC 16

8 FEB 5 1968

EX-110

REC-73

ST 109

FEB 5 1968

Dissemination Record of Attached Report

Agency	
Request Recd.	
Date Fwd.	
How Fwd.	
By	

CC. AAG, Criminal Division, Organized Crime and Racketeering Section, Room 2524 Rec

Notations

6 MAR 11 1968

MI 94-316

LEADS

MILWAUKEE DIVISION - AT MILWAUKEE, WIS.

1. Will, through USA, Milwaukee, follow appeal of subject's Federal income tax conviction. Note that subject's counsel requested delay until 3/27/68, to file brief with U. S. Circuit Court of Appeals, Chicago, Ill.

2. Will follow and report subject's activities where pertinent as furnished by informants, sources and independent investigation.

INFORMANTS

Identity	Date Contacted	Contacting Agents
MI T-1 is [redacted]	11/24/67	SAs CARLYLE N. REED and DANIEL E. BRANDT
	1/5/68	SAs DANIEL E. BRANDT and [redacted]
MI T-2 is [redacted]	8/25/67	SA CARLYLE N. REED
MI T-3 is [redacted]	8/14/67	SA CARLYLE N. REED
	8/29/67	" " "
	9/15/67	" " "
	10/2/67	" " "
	10/17/67	SAs CARLYLE N. REED and DANIEL E. BRANDT
	11/30/67	SAs CARLYLE N. REED and DANIEL E. BRANDT
	12/14/67	SA DANIEL E. BRANDT
	12/28/67	" " "
MI T-4 is [redacted]	9/8/67	SA CARLYLE N. REED
	11/24/67	SAs CARLYLE N. REED and DANIEL E. BRANDT
	1/15/68	SAs DANIEL E. BRANDT and [redacted]

b6
b7C
b7D

b6
b7C
b7D

MI 94-316

INFORMANTS (continued)

Identity	Date Contacted	Contacting Agents
MI T-13 is [redacted] (by request)	10/24/67	SA CARLYLE N. REED
MI T-14 is [redacted]	10/21,28/67; 11/8/67	SA [redacted] Kansas City [redacted]
	12/9,18,23/67	" "

b6
b7C
b7D

ADMINISTRATIVE

Information regarding counsel for subject requesting a delay until 3/27/68 for filing of briefs with U. S. Circuit Court of Appeals (at Chicago, Ill.) was furnished to SA CARLYLE N. REED by Agent [redacted] IRS, Milwaukee, Wis., on 1/25/68.

b6
b7C

Information re JOSEPH P. BALISTRIERI purchasing a downtown Milwaukee commercial building was furnished to USA JAMES B. BRENNAN, AUSA FRANKLYN M. GIMBEL and IRS Agent [redacted] all of Milwaukee, on 10/24/67.

Extended investigative period of report due to extended absence from duty of agent to whom case assigned; otherwise, report brings subject's activities up-to-date, with Bureau and interested offices notified in interim by appropriate communications of any significant developments.

Informant information not included in details of Report

The following was not included in the details of this report to avoid any possible compromise of valuable current live informants:

On 8/29/67 MI T-3 furnished the following information concerning the status of Milwaukee La Cosa Nostra (LCN)

family and its boss FRANK BALISTRIERI:

[redacted] Milwaukee LCN members, continue to persist in urging action to oust FRANK BALISTRIERI as Milwaukee family boss. In the past they talked [redacted] Recently they have been talking in terms of a more peaceful and democratic way of ousting BALISTRIERI by means of a meeting of the Milwaukee family members to take a vote on BALISTRIERI remaining as boss. Further, such a meeting might make it possible for Milwaukee family members to go to Chicago, Illinois, to discuss the Milwaukee leadership with whomever might be in authority in the LCN at Chicago. b7D

[redacted] local Milwaukee LCN members, may be swinging over to support MARINO and the AIELLOs in their opposition to FRANK BALISTRIERI. [redacted] FRANK BALISTRIERI, feels that as LCN member he is not being given proper consideration by BALISTRIERI [redacted] b7D

On 9/15/67 MI T-3 advised as follows:

In early September, 1967 [redacted] FRANK BALISTRIERI from [redacted] At this time these members reverted [redacted] BALISTRIERI. As a result of this meeting [redacted] b7D

MI 94-316

MI T-3 recently heard that FRANK BALISTRIERI bought a commercial building on North Water Street, Milwaukee, for $80,000 which would include space for a law office for FRANK's son JOSEPH BALISTRIERI.

Informant learned from a Milwaukee hoodlum that FRANK BALISTRIERI [redacted] b7D

[redacted]

FRANK BALISTRIERI's father-in-law JOHN ALIOTO has reportedly turned over some of his restaurant interests to members of his family, and FRANK BALISTRIERI is provoked at this because BALISTRIERI's wife, who is a daughter of JOHN ALIOTO, apparently had not been included in receiving any of these businesses, although JOHN ALIOTO allegedly did give BALISTRIERI's wife $5,000 at about that time.

On 10/2/67 MI T-3 advised: [redacted] b7D

[redacted]

On 12/14/67 MI T-3 reported as follows:

On 10/30/67 this informant furnished information that [redacted] b6 b7C b7D

[redacted] FRANK BALISTRIERI, boss of Milwaukee LCN family, and former Milwaukee police captain GEORGE H. SPRAGUE for the purpose of determing if BALISTRIERI had connections to put in a good word for SPRAGUE for consideration as chief of police in Chicago Heights, Ill.

(The 12/12/67 issue of the "Milwaukee Journal" newspaper contained an article reflecting SPRAGUE had been appointed as chief of police in Chicago Heights, Ill., which position was to take effect 1/1/68)

MI 94-316

Informant advised he has received additional information

[redacted]

meeting. [redacted] b6 b7C b7D

[redacted]

[redacted] b6 b7C b7D

Informant indicated that [redacted]

[redacted]

As informant could best recall, BALISTRIERI needed some [redacted] b6 b7C b7D

[redacted]

[redacted] Informant recalled

[redacted]

MI 94-316

[redacted]

Later on 12/14/67 informant telephonically advised that he received information that [redacted]

b6
b7C
b7D

A physical surveillance was conducted [redacted] The surveillance was discontinued at 1:10 p.m. for security reasons.

On 12/28/67 MI T-3 advised as follows:

Regarding the information this informant previously furnished [redacted]

b6
b7C
b7D

[redacted]

b6
b7C
b7D

MI 94-316

On 1/5/68 MI T-1 reported as follows:

Informant advised that shortly [redacted]

[redacted] b7D

[redacted] Informant noted that during a prior

[redacted]

Informant noted that BALISTRIERI [redacted] b7D

[redacted]

It will be recalled this informant furnished information in the past regarding [redacted]

[redacted] b7D

MI 94-316

b7D

Informant mentioned that shortly before Christmas SALLY PEPITO, who operates the kitchen facilities as the Ad Lib Club, owned by FRANK BALISTRIERI, obtained a new black Cadillac.

b7D

The foregoing information involving was furnished to the Bureau and Chicago in the matter of

b7D

In December, 1967, MI T-14 furnished the following:

Informant said FRANK BALISTRIERI, who is the LCN boss in Milwaukee, made a request of NICK CIVELLA, LCN boss in Kansas City, in 1962 to perform a favor for BALISTRIERI.

b7D

Informant

Informant explained NICK CIVELLA

b7D

Informant said

b7D

Informant said that [redacted]

Informant explained that [redacted]

Informant pointed out that it was his understanding [redacted] b7D

Informant said that BALISTRIERI had complete confidence in [redacted]

Informant said that in December, 1962 or January, 1963 a number of people in Milwaukee who are members of the family [redacted] Informant specifically said that the people [redacted] b6 b7C b7D

The reason behind the contact with [redacted] b7D Informant said that [redacted] with FRANK BALISTRIERI.

Informant said it was his understanding that [redacted] b7D and a third person whom informant declined to identify.

Informant said that in 1964 the pressure from other members of the "Milwaukee family" was great enough to force FRANK BALISTRIERI to request [redacted] b7D Informant explained that [redacted]

[redacted] b7D

According to informant, [redacted]
[redacted] through a source unknown to informant.
It was informant's personal opinion that [redacted]
[redacted] b7D
[redacted] Informant pointed out that [redacted]
[redacted]
involving LCN activities in the Milwaukee area.

[redacted] according to informant,
[redacted]
[redacted] Informant pointed out that
FRANK BALISTRIERI [redacted] b7D
[redacted]

Informant advised that he personally [redacted]
[redacted] b7D
[redacted] Informant noted
this was different [redacted]

It was informant's recollection that [redacted]
[redacted] b7D

MI 94-316

The boss FRANK BALISTRIERI [redacted] b7D

[redacted]

-L*-
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Milwaukee

Report of: SA CARLYLE N. REED
Date: 2/1/68

Office: Milwaukee

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Subject's counsel has requested delay to 3/27/68 for filing of briefs with U.S.Circuit Court of Appeals in connection with appeal of subject's Federal income tax convictions in September, 1967. One of subject's downtown Milwaukee night clubs, Le Bistro, is now closed and newest of his clubs, the Ad Lib, now has strippers for entertainment. Information developed that subject [redacted] b7D

[redacted]

One JOSEPH P. BALISTRIERI probably identical with captioned subject's son of same name is on record at Register of Deeds office, Milwaukee County, Wis., as purchaser of commercial building on N. Water St. in downtown Milwaukee. Indicated purchase price of building $80,000. A source reports FRANK BALISTRIERI said he bought this building. Subject allegedly controls most of better bookies in Milwaukee. Another source identifies subject as boss of Milwaukee La Cosa Nostra family. Informant states subject has piece of several poker and dice gamesin Milwaukee. Subject's over-all gambling interests principally sports bookmaking have reportedly been clearing subject estimated $5,000 per week. FRANK SANSONE described as principal bookmaker in subject's betting operation Milwaukee.

-P-

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

MI 94-316

Details:

Status of Federal Income Tax Case

On January 25, 1968 information was received that FRANK BALISTRIERI's counsel requested authority to delay filing of briefs with the U. S. Circuit Court of Appeals, Chicago, Illinois, until March 27, 1968. This pertains to subject's appeal of his Federal income tax convictions.

La Cosa Nostra (LCN) Affiliation

In October and November 1967, MI T-14 identified FRANK BALISTRIERI as boss of the Milwaukee LCN family and as a close associate of FELIX "MILWAUKEE PHIL" ALDERISIO, Chicago, Illinois, hoodlum.

Business Matters

On August 25, 1967 MI T-2 advised: Several weeks ago JOHN VOLPE took over the operation of Alfie's Tavern, North Teutonia and West Atkinson Avenues, Milwaukee, Wisconsin. JOHN FAZIO, one of the FAZIO brothers who operate restaurants and cocktail lounges in the Milwaukee area, has a financial interest in Alfie's along with VOLPE. Further, FRANK BALISTRIERI has some financial interest in Alfie's.

On September 8, 1967 MI T-4 advised that FRANK BALISTRIERI does not actually have a finaicial interest in Alfie's Tavern. BALISTRIERI did extend credit or financing of between $1,000 and $2,000 to VOLPE for installing BALISTRIERI's coin operated vending and amusement machines.

On August 14, 1967 MI T-3 informed that FRANK BALISTRIERI's downtown Milwaukee night club, Le Bistro, was closed, it being noted that this club was located in an area designated for redevelopment. Another of BALISTRIERI's Milwaukee night clubs and his newest one, The Ad Lib, now has strippers for entertainment. Informant noted that apparently FRANK BALISTRIERI's efforts to have high priced entertainment at the Ad Lib did not pay off and he had to resort to cheaper entertainment.

On October 17, 1967 MI T-3 reported that FRANK SANSONE, aka HOGAN, has been going strong in his sports booking operation and has been doing real well on the football games. MI T-3 said SANSONE is presently standing real well with BALISTRIERI because of SANSONE's ability in booking, of which BALISTRIERI gets a piece. According to this source, BALISTRIERI now has control of most of the better known and successful bookies in the Milwaukee area.

On October 31, 1967 MI T-2 furnished the following: FRANK SANSONE has a choice clientele of big money betters by Milwaukee standards, which makes SANSONE's book an excellent money maker on the average. The maximum per bet at the present time on football was about $500; the maximum on basketball as of this time was about $100 per bet.

On November 30, 1967 MI T-3 reported as follows: [redacted] was then operating poker and craps games at [redacted] Milwaukee. [redacted] gave indications that any problems about these games in the event any players or other interested persons had any complaints, FRANK BALISTRIERI would be the man to decide what to do about the problem. FRANK BALISTRIERI allegedly had at that time a piece of a poker and craps game operated by [redacted]OSEPH ENEA on Windsor Place between Farwell and Oakland Avenues, Milwaukee. Informant estimated that FRANK BALISTRIERI was at that time clearing approximately $5,000 per week from his over-all gambling operations, principally sports booking. b6 b7C

On January 15, 1968 MI T-4 furnished the following:

FRANK LEO SANSONE, aka "HOGAN," continues to operate as one of the principal bookmakers in the FRANK PETER BALISTRIERI bookmaking operation in Milwaukee. According to informant, [redacted] b7D

MI 94-316 Miscellaneous

On October 24, 1967 MI T-13 provided the following information:

According to material received by this source, FRANK PETER BALISTRIERI [redacted] had seen BALISTRIERI while he was there. (A check of Milwaukee, Wisconsin, city telephone directory revealed [redacted] According to this same source, information was received [redacted] b7D

On October 23, 1967 SA CARLYLE N. REED conducted the following investigation, based upon information that FRANK BALISTRIERI or his son JOSEPH BALISTRIERI had purchased a commercial building on North Water Street between East Wisconsin Avenue and East Mason Street, Milwaukee:

Records of Register of Deeds office were reviewed at Milwaukee County, Wisconsin, on micro film, reel 380, images 663, 664 and 665. These filmed records reflect that a warranty deed was recorded with the Milwaukee County Register of Deeds on September 18, 1967 covering an indenture made August 31, 1967 between the Werdehoff Realty Co., Milwaukee, and JOSEPH P. BALISTRIERI covering the conveyance of the following described real estate to JOSEPH P. BALISTRIERI:

> No. ½ of Lot 9, in the Town of Milwaukee, on the east side of the Milwaukee River, in the NE fraction of ¼ of section 29, in Township 7 north, range 22 east, in the City of Milwaukee.

MI 94-316

Image 665 on reel 380 is a micro film of the mortgage on above described property. This mortgage is in favor of the Standard Savings & Loan Association, as mortgagee, given by JOSEPH P. BALISTRIERI, the mortgagor, and is dated September 15, 1967. This mortgage was recorded September 18, 1967 in the amount of $56,000. Tax stamps covering the conveyance of above described property were shown in the amount of $88, which at the going rate of $1.10 per $1,000, would represent a purchase price of $80,000 for this piece of property.

Reel 335, image 1363, is another warranty deed covering the south one-half of the property previously described and apparently included in the above described mortgage.

Personal observation by SA REED of the area in question on North Water Street, where BALISTRIERI's purchase or contemplated purchase was made, noted that the building in question is probably the one housing the Wayside Inn and an adjoining property housing a tobacco and news store, with a printing company on the second and third floors.

On November 24, 1967 MI T-1 advised as follows: Recently FRANK BALISTRIERI reportedly stated that he purchased a building at 720 North Water Street, Milwaukee. Informant speculated that BALISTRIERI bought this building to use the first floor as a tavern - night club or cocktail lounge to replace one or more of the downtown Milwaukee club sites that BALISTRIERI is or will be giving up because of redevelopment projects in these areas.

On November 24, 1967 MI T-4 advised as follows; FRANK BALISTRIERI has gone to Chicago, Illinois, at least twice in the past several weeks. Although informant did not know the specific reason or reasons for these trips, informant speculated that the trips might have something to do with Outfit (LCN) business.

Informant said that FRANK BALISTRIERI's son JOSEPH has given notice to the present tenants in the building at 720 North Water Street to vacate. Informant did not know the exact plans that the BALISTRIERIs have for the utilization of this building.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
February 1, 1968

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-263 (Rev. 8-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	3/25/68	1/23/68 - 3/19/68

TITLE OF CASE

FRANK PETER BALISTRIERI, aka

REPORT MADE BY: SA CARLYLE N. REED — TYPED BY: kdb

CHARACTER OF CASE

AR

REFERENCE: Report of SA CARLYLE N. REED, at Milwaukee, 2/1/68.

-P-

LEADS: MILWAUKEE DIVISION

At Milwaukee, Wisconsin

1. Maintain contact with United States Attorney's Office regarding action by U. S. Circuit Court of Appeals in the matter of the appeal of the subject's Federal income tax conviction in U. S. District Court, Springfield, Illinois.

2. Follow and report subject's activities as furnished by informants, sources, and independent investigation.

ACCOMPLISHMENTS CLAIMED NONE						ACQUIT-TALS
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	

CASE HAS BEEN:

PENDING OVER ONE YEAR [X] YES [ ] NO

PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED _____ SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

3 - Bureau (92-3116) (RM)
1 - USA, Milwaukee
2 - Milwaukee (94-316)

92 - 3116 - 549 REC-100

12 MAR 27 1968

Dissemination Record of Attached Report

Agency				
Request Recd.	1	CC. AAG, Criminal Division,		
Date Fwd.		Organized Crime and Racketeering		
How Fwd.		Section, Room [illegible] 3/25/68		
By				

Notations

NINE

STAT. SECT.

66 APR 12 1968

* U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

MI 94-316

INFORMANTS:

Identity	Date Contacted	Contacting Agent
MI T-1 is [redacted]	February 9, 1968	SA CARLYLE N. REED b7D
MI T-3 is [redacted]	January 23, 1968	SA DANIEL E. BRANDT
	February 6, 1968	SA's DANIEL E. BRANDT and CARLYLE N. REED
	March 8, 1968	SA's CARLYLE N. REED and DANIEL E. BRANDT
MI T-4 is [redacted]	March 6, 1968	SA's CARLYLE N. REED and DANIEL E. BRANDT

ADMINISTRATIVE:

Information in instant report predates referenced report due to unavailability of channelized informant information at time of preparation of referenced report.

Informant Information not Included in Details of Report

The following was not included in the details of this report to avoid any possible compromise of valuable current live informants:

On 1/23/68, MI T-3 advised as follows:

CARLO DI MAGGIO, an old-timer in the Milwaukee La Cosa Nostra (LCN) family, died at Milwaukee County General Hospital, Milwaukee, Wisconsin, on 1/17/68 of a heart attack. The undertaker and funeral director was Guardalabene and Amato Funeral Home, 2001 North Holton Avenue, Milwaukee, Wisconsin. Visitors were received at the funeral home on January 20-21, 1968, and DI MAGGIO was buried on January 22, 1968. FRANK BALISTRIERI, Milwaukee LCN family boss, paid his respects to the deceased at the funeral home as did practically all of the Milwaukee LCN family members and other hoodlums-gamblers. [redacted] b7D

[redacted] b7D

Informant pointed out that this would appear to be another indication of the internal rift between the older LCN members in this family and the newer members, who are supporters of BALISTRIERI.

At this same time, the informant advised he learned that according to [redacted] b7D by FRANK BALISTRIERI.

Informant mentioned the possibility that subject may get a piece of any gambling at a new night spot known as the Barn on North Farwell Avenue, Milwaukee, and operated by [redacted] with a Milwaukee gambler, [redacted] allegedly having some interest in this place. If there is any gambling at the Barn, [redacted] would be the one to handle it. b6 b7C

On 2/6/68, MI T-3 furnished the following information:

On the last previous contact with this source, he mentioned [redacted] b7D Informant said [redacted] according to this source.

On February 5, 1968, SA CARLYLE N. REED was contacted by [redacted] Milwaukee, Wisconsin [redacted] requested that his identity be protected concerning the following because of learning of this information by virtue of his employment, and it would be very embarrassing to him if it were learned that this information was given out by him: b6 b7C b7D

[redacted] b7D

The source of this information did not know the details [redacted] b7D

At this same time the source of the above information also mentioned that [redacted] b6 b7C b7D

Source said that [redacted]

From this source's past experience [redacted] b6 b7C b7D It should be noted that in the past information has come to the attention of this office concerning [redacted] which created questions as to the

propriety of his contacts [redacted] b6 b7C b7D

On 3/6/68, MI T-4 advised as follows:

[redacted] The syndicate in [redacted] and restaurants in the Milwaukee area. The use of the word syndicate is synonymous to the outfit, the Mafia, or La Cosa Nostra, as far as this informant knows. Apparently the squeeze b7D was put on [redacted] ago when FRANK BALISTRIERI, Milwaukee LCN boss [redacted] for a meeting. Apparently during this [redacted] it was learned by them from FRANK BALISTRIERI [redacted] in Milwaukee [redacted] because of the FRANK BALISTRIERI connection.

On 3/6/68, MI T-4 also advised as follows:

[redacted] b6 b7C FRANK BALISTRIERI allegedly will not do anything about this as long b7D as he has his other problems at the present time such as the appeal of his Federal income tax conviction.

Recently, when they had the grand opening of the Barn, being operated by TONY MACHI, on North Farwell Avenue, Milwaukee, FRANK BALISTRIERI and STEVE DE SALVO were present. Informant did not know the particulars; however, he learned that there was an argument or differences of opinion between FRANK BALISTRIERI and STEVE DE SALVO. These differences were apparently a disagreement regarding their personal opinions over an unidentified third party.

On 3/8/68, MI T-3 advised as follows:

[redacted] b6 b7C b7D

b7D

F*
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee

Report of: SA CARLYLE N. REED
Date: 3/25/68

Office: MILWAUKEE

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Subject's Federal income tax case still pending appeal to U. S. Circuit Court. Subject is driving 1968 Cadillac El Dorado, powder blue, Wis. License B29-907, which he purchased from Greenlease Motor Car Company, Kansas City, Mo. Business at subject's downtown Milwaukee nightclubs reportedly off. Tavern license from Le Bistro (a FRANK BALISTRIERI enterprise) transferred to Wayside Inn, 722 North Water Street, Milwaukee. Property at this address was purchased by JOSEPH P. BALISTRIERI, son of subject. License in name of ANGELO DE GEORGIO, manager of Le Bistro before it closed.

-P-

DETAILS: At Milwaukee, Wisconsin

On March 18, 1968, Special Agent CARLYLE N. REED contacted Assistant United States Attorney [redacted] Eastern District of Wisconsin. [redacted] advised that to the best of his knowledge, the United States Circuit Court of Appeals, Chicago, Illinois, granted the request by subject's counsel for a delay to March 27, 1968, to file a brief appealing BALISTRIERI's Federal income tax conviction in United States District Court, Southern District of Illinois at Springfield.

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

On February 6, 1968, MI T-3 reported as follows:

FRANK BALISTRIERI is driving a new 1968 powder blue Cadillac El Dorado, a high priced automobile, which informant thought might have a suggested list price of about $8,500. with equipment. Informant said this car was purchased through [redacted] Kansas City, Missouri, and that JIMMY JENNARO and STEVE DE SALVO of Milwaukee went to Kansas City to pick up this vehicle for BALISTRIERI. b6 b7C

On March 15, 1968, a check of Motor Vehicle records at Madison, Wisconsin, revealed that Wisconsin License 329-907 is registered to FRANK BALISTRIERI, 3043 Sheppard Avenue, Milwaukee, Wisconsin, for a 1968 Cadillac Sedan, Serial Number H818G506. This vehicle was purchased on January 24, 1968, from Greenlease Motor Car Company, 29th and Mc Gee, Kansas City, Missouri.

Nightclub Operations

On February 9, 1968, MI T-1 furnished the following information concerning FRANK BALISTRIERI's Milwaukee nightclub operations:

Business is off considerably at BALISTRIERI's downtown Milwaukee nightclubs, with The Scene closed most of the weekday nights of late. BALISTRIERI has been having trouble with the scheduling of bands for his nightclubs, and he claims that racial tension in Milwaukee is the cause of poor business at The Scene, which has been catering to the Negro trade. The volume of business at both Gallaghers and The Downtowner is off considerably. The Ad Lib has been doing quite well, particularly with a good noon luncheon business.

Page A-5 of the February 21, 1968, final edition of the "Milwaukee Sentinel," Milwaukee, Wisconsin, daily newspaper, includes an article captioned, "Tavern License to Joseph Balistrieri Building." The article in substance reported the following:

The tavern license of Le Bistro A-Go-Go, formerly located at 821 North Third Street, has been transferred to the address of the Wayside Inn, 722 North Water Street, a building recently bought by JOSEPH BALISTRIERI, an attorney and son of FRANK P. BALISTRIERI, Milwaukee nightclub operator.

This tavern license is in the name of ANGELO DE GEORGIO, according to the City License Clerk. Le Bistro was closed when the building housing this operation was razed. DE GEORGIO was described as the "manager" of Le Bistro, when it opened in 1964 as Milwaukee's newest discotheque.

A reporter contacted JOSEPH BALISTRIERI concerning the license and ownership of the Wayside Inn building, and JOSEPH declined to answer questions put to him by the reporter.

This article noted that in 1957, FRANK P. BALISTRIERI was involved in an investigation of multiple tavern ownerships. Police charged he had a financial interest in at least five taverns and recommended that licenses of the taverns be revoked. FRANK BALISTRIERI denied the charge, and the Milwaukee Common Council declined to revoke the licenses. In 1958, a Milwaukee City Ordinance was approved limiting to two the number of tavern licenses in which a person may have a financial interest.

Miscellaneous

On March 8, 1968, MI T-3 furnished the following information:

FRANK BALISTRIERI has purchased fixtures at Madison, Wisconsin, for installation in the old Wayside Inn on North Water Street, Milwaukee, which is to be refurnished as a tavern and night spot. As best the informant could learn to date, FRANK BALISTRIERI plans to use three floors of the North Water Street building with the bar on the first floor, and possibly food service on the second floor, and perhaps a key club on the third floor.

FRANK BALISTRIERI has been making occasional trips to Chicago, Illinois, purpose unknown. He has a female employee [redacted] last name unknown, who assists with the entertainment at FRANK BALISTRIERI's Milwaukee nightclubs. FRANK BALISTRIERI has been dating [redacted] much to the dislike of BALISTRIERI's paramour, [redacted] b6 b7C

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Milwaukee, Wisconsin

March 25, 1968

In Reply, Please Refer to File No.

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED at Milwaukee, dated and captioned as above

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

TO : DIRECTOR, FBI (92-3116)

DATE: April

FROM : SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR ANTIRACKETEERING
OO: MILWAUKEE

Enclosed for information of the Bureau is a copy of a newspaper article captioned "US Bugging At Issue In Tax Case Appeal", which appeared in the 4/23/68 issue of the "Milwaukee Journal."

With the exception of the filing of an appeal brief on behalf of BALISTRIERI, boss of the Milwaukee LCN Family, this article is a restatement of information previously furnished to the Bureau.

Contents of the above article will be made part of the next investigative report submitted by Milwaukee regarding the subject.

ENCLOSURE

2-Bureau (Encls 1) (92-3116) (Registered Mail)
1-Milwaukee (94-316)
DEB/els
(3)

REC- 19

92-3116-550

6 APR 29 1968

MAY 7 1968

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108-01

(Mount Clipping in Space Below)

US Bugging at Issue in Tax Case Appeal

By EDWARD S. KERSTEIN
Of The Journal Staff

The FBI's admitted participation in electronic surveillance of Milwaukee night club operator Frank P. Balistrieri and Dominic H. Frinzi, one of his lawyers, is a key issue raised in the appeal of Balistrieri's conviction on two federal income tax evasion charges.

In a brief filed with the federal circuit court of appeals in Chicago Monday, Maurice J. Walsh and Carl M. Walsh, Chicago lawyers representing Balistrieri, contend that federal Judge Omer Poos of Springfield, Ill., committed judicial errors in denying defense motions for dismissal or mistrial.

Poos, sentenced Balistrieri, 50, of 3043 N. Shepard av., last Sept. 18 to two concurrent terms of two years in federal prison and fine him $10,000.

Microphones Planted

During Balistrieri's jury trial in Springfield, Joseph E. O'Connell, a Milwaukee FBI agent, testified Nov. 3, 1966, that he had planted microphones in Balistrieri's Downer av. office and the Wisconsin av. office of a lawyer.

He said the microphones were hooked to telephone lines furnished by the Wisconsin Telephone Co.

The microphones, which monitored all conversations in the two offices, were piped directly to the Milwaukee federal building office of the FBI, where the sounds were recorded by 23 FBI agents, according to testimony and exhibits.

While O'Connell did not identify the law office that he had bugged, Maurice Walsh disclosed in the trial FBI documents that the electronic surveillance was conducted in the Plankinton building suite occupied by Frinzi. Frinzi also served as Balistrieri's counsel in the trial.

Poos threw out all evidence that the FBI had gathered through the "bugging" operations and ordered Franklyn M. Gimbel, an assistant United States attorney who prosecuted the case, to present to the jury only "untainted" evidence secured by internal revenue service agents and other witnesses.

No Evidence Allowed

Gimbel assured Poos that since the FBI had committed a "trespass," none of the evidence gathered by FBI agents would be presented in court.

Poos denied Walsh's motion to dismiss the case against Balistrieri on the defense claim that the prosecution failed to prove that its evidence was untainted.

In raising the same issue before the appeals court, Walsh and his son contend that the constitutional rights of Balistrieri have been violated through the electronic surveillance of Frinzi's office from Apr. 22 to Oct. 2, 1963. They claim during that period Balistrieri had telephone conferences with Frinzi. Their brief also stated that Balistrieri had telephoned Maurice Walsh in Chicago from Balistrieri's "bugged" Downer av. office on Mar. 27, 1964.

The appellate court was also asked by the defense to set aside the conviction on these alleged grounds:

The trial court erred in denying defense motions for mistrial based on the prosecutor's "persistent efforts to prejudice the jury by improper questions to a defense witness about nonexistent arrests and convictions of felony."

It erred in denying the defense motion for mistrial based "upon the prosecutor's misconduct in arguing matters to the jury that had no basis in evidence and which could only in inflammatory and prejudicial."

The court erred "in failing to answer the jurors' question to clarify certain instructions."

The court erred in permitting the government to call as a witness a certified public accountant who had been retained by Balistrieri to prepare certain corporate tax returns, resulting in a breach of "attorney-client and accountant-client privilege."

The appeals court will set a hearing date, possibly next fall, after the government files a reply brief and the defense responds to it.

(Indicate page, name of newspaper, city and state.)

B-2
MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

Date: 4/23/68
Edition: LATEST
Author:
Editor: RICHARD H. LEONARD
Title: FRANK PETER BALISTRIERI

Character:
or
Classification: 94-
Submitting Office: MILWAUKEE

☐ Being Investigated

92-3116-550
ENCLOSURE

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (92-3116) DATE: 6/28/68

FROM : SAC, Milwaukee (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR
OO: Milwaukee

Re report of SA CARLYLE N. REED dated 3/25/68 at Milwaukee.

JAMES B. BRENNAN, U. S. Attorney, Eastern District of Wisconsin, Milwaukee, advised on 6/18/68 that BALISTRIERI's attorney had filed their appeal brief on 4/2/68 in the 7th Circuit Court of Appeals, Chicago, appealing his recent conviction on income tax evasion charges.

According to Mr. BRENNAN, the Government was given until 7/2/68 to file an answer to the above brief. He noted the Government's case is being handled by Departmental Attornies in Washington and he believed oral arguments on the appeal would be heard possibly during September.

The above is being furnished for the Bureau's information and will be included in the next report submitted by Milwaukee regarding the subject.

2 - Bureau (92-3116) (RM)
1 - Milwaukee (94-316)

DEB/dsw
(3)

REC-99 92-3116-551

EX-113

20 JUL 3 1968

206
54 JUL 9 1968

5010-108-01

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	7/11/68	3/19-7/9/68

TITLE OF CASE

FRANK PETER BALISTRIERI, aka

REPORT MADE BY: SA DANIEL E. BRANDT

TYPED BY: mk

CHARACTER OF CASE: AR

REFERENCE

Report SA CARLYLE N. REED, at Milwaukee, 3/25/68.
Milets to Bureau 4/25/68 and 6/28/68.

-P-

LEADS

MILWAUKEE OFFICE - AT MILWAUKEE, WIS.

1. Will locate and interview [redacted] to verify sale of his vending machine route to CARL DENTICE and/or FRANK PETER BALISTRIERI.

b6
b7C

ACCOMPLISHMENTS CLAIMED					None	ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED [signature] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:
3-Bureau (92-3116) RM
1-USA, Milwaukee
2-Milwaukee (94-316)

92-3116-552

REC-57
EX-116

8 JUL 15 1968

1D+D. 7-25-68

Dissemination Record of Attached Report

Agency	
Request Recd.	1 CC. AAG, Criminal Division,
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2524.
By	

Notations

61 JUL 29 1968

☆ U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

2. Will interview [redacted] Wis., [redacted] for information re estimated costs of construction of the Pub at 722 N. Water St., Milwaukee. b6 b7C

3. Will maintain contact with USA's office and report on status of BALISTRIERI's appeal to his Federal income tax conviction.

INFORMANTS

Identity of Informant	Date Contacted	Contacting Agent
MI T-1 is MI [redacted]	4/23/68	SA DANIEL E. BRANDT
	6/24/68	" " "
MI T-2 is MI [redacted]	4/19/68	" " "
	6/25/68	" " " b7D
MI T-3 is MI [redacted]	3/21/68	" " " and SA CARLYLE N. REED
	4/8/68	SA DANIEL E. BRANDT
	4/26/68	" " "
	5/14/68	" " "
	6/4/68	" " "
	6/20/68	" " "
MI T-4 is MI [redacted]	4/5/68	" " "
	5/1/68	" " " and SA [redacted] b6
	6/11/12/68	SA DANIEL E. BRANDT and b7C SA [redacted] b7D

ADMINISTRATIVE

The investigative period in this report is extended; however, this case has been kept in a current status through interoffice communications and active investigation.

Information concerning BALISTRIERI's purchase of a cigarette machine route, his acquisition of Alfie's

Tavern and the status of repairs to the Pub was disseminated locally to IRS.

Information of a new manager at Gallagher's bar, and of a poker game being run by HARRY DE ANGELO was also disseminated to the Milwaukee PD.

Informant Information Not Included in Details of Report

The following information was not included in the details of this report as dissemination of such information outside of the Bureau could reasonably compromise the identities of valuable live informants.

On 3/28/68 [redacted] PCI, advised SA [redacted] on 3/18/68 FRANK BALISTRIERI [redacted]

[redacted]

b6
b7C
b7D

On 3/21/68 MI T-3 advised that during the political party given by FRANK BALISTRIERI at The Scene for attorney DOMINIC FRINZI, BALISTRIERI apparently had an opportune time to gather all of the LCN members of the Milwaukee family. BALISTRIERI took several LCN members aside individually and chatted with them during the course of the evening. [redacted]

b7D

Informant also was [redacted]

b7D

[redacted] this informant was of the opinion that STEVE DE SALVO is, in fact, a capodecina now.

[redacted] b7D

[redacted] would be under JOHN ALIOTO, father-in-law of FRANK BALISTRIERI, who could also be considered a capodecina.

Informant noted it was his observation that FRANK BALISTRIERI [redacted] b7D

It was informant's observation [redacted] b7D

[redacted] BALISTRIERI's 1-man domination in the past.

MI T-2 advised on 3/28/68 that FRANK BALISTRIERI is now in the cigarette vending machine business along with his juke boxes and pool tables. Either CARL DENTICE or SAM DENTICE services these machines and the last informant knew the office for this business was on Pleasant Street on the east side of town. Informant said BALISTRIERI [redacted] b6 b7C b7D

[redacted] Informant said [redacted]

On 4/8/68 MI T-3 advised that he had received information [redacted] b7D

MI 94-316

Informant advised that it was his opinion that during the past [redacted]

[redacted]

b7D

Informant felt that BALISTRIERI has finally become aware of the fact [redacted]

[redacted]

On 4/26/68 MI T-3 advised that he has heard additional information concerning [redacted]

[redacted]

b7D

According to informant, SAM FERRARA, former boss of the Milwaukee LCN family [redacted]

[redacted]

b7D

MI T-4 advised on 5/1/68 that he was of the opinion FRANK BALISTRIERI [redacted]

[redacted] for BALISTRIERI. Whenever BALISTRIERI [redacted]

b7D

BALISTRIERI.

Informant advised that it has been rumored in the past that there were hard feelings between older members of the LCN family and the younger members after BALISTRIERI took control as boss. [redacted]

[redacted]

b7D

MI 94-316

On 6/4/68 MI T-3 advised that [redacted] b7D

Informant heard that [redacted] b6 b7C b7D

Informant did not know the significance of the advice [redacted]

On 6/20/68 MI T-3 advised he had talked with [redacted] b7D

Informant indicated that [redacted] was no longer in operation; b6 b7C b7D

The San Diego Division advised by letter to the Bureau dated 4/10/68 that [redacted] b7D

MI 94-316

b7D

-G*-
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Milwaukee

Report of: SA DANIEL E. BRANDT
Date: 7/11/68

Office: Milwaukee

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Appeal briefs of subject's income tax conviction filed by BALISTRIERI's attorneys 4/2/68. Government granted extention until 7/16/68 to file their answering brief of appeal. Subject making extensive renovations to building at 722 N. Water St., Milwaukee, where structural steel costs are estimated to be between $30,000 and $35,000. BALISTRIERI has recently secured financial interest in Alfie's Tavern.

-P-

Details: At Milwaukee, Wisconsin

On June 18, 1968 U. S. Attorney JAMES B. BRENNAN, Eastern District of Wisconsin, was contacted by SA DANIEL E. BRANDT regarding the status of FRANK BALISTRIERI's appeal of his recent Federal income tax conviction. Mr. BRENNAN advised that BALISTRIERI's attorneys filed their brief of appeal in U. S. Circuit Court of Appeals, Chicago, Illinois on April 2, 1968. The Government was given until July 2, 1968 to file its answering brief. On July 9, 1968 Mr. BRENNAN advised that the Court of Appeals granted the Government an extention until July 16, 1968 to file its answering brief.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1967—O—273-878

The April 23, 1968 edition of the Milwaukee Journal carried an article entitled "U. S. Bugging at Issue in Tax Case Appeal." The article in part indicated that the FBI's admitted participation in the electronics surveillance of Milwaukee night club operator FRANK P. BALISTRIERI and DOMINIC H. FRINZI, one of his lawyers, is a key issue raised in the appeal of BALISTRIERI's conviction on two Federal income tax charges.

In a brief filed with the Federal Circuit Court of Appeals in Chicago, MAURICE J. WALSH and CARL M. WALSH, Chicago lawyers representing BALISTRIERI, contend that Federal Judge OMAR POOS of Springfield, Illinois, committed judicial erros in denying defense motions for dismissal or mistrial.

Judge POOS denied WALSH's motion to dismiss the case against BALISTRIERI on the defense claim that the prosecution failed to prove that its evidence was untainted.

The Appellate Court was asked by the defense to set aside the conviction on the following grounds: the trial court erred in denying defense motions for mistrial based on the prosecutor's "persistent efforts to prejudice the jury by improper questions to a defense witness about non-existent arrests and convictions of felony." The court erred in denying defense motion for a mistrial based on "the prosecutor's misconduct in arguing matters to the jury that had no basis in evidence and which could only be inflammatory and prejudicial."

The court erred in "failing to answer the jurors' question to clarify certain instructions."

The court erred in permitting the Government to call as a witness a certified public accountant who had been retained by BALISTRIERI to prepare certain corporate tax returns resulting in a breach of "attorney-client and accountant-client privilege."

The article further indicated the Appeals Court would set a hearing date, possibly next fall, after the Government files a reply brief and the defense responds to it.

BALISTRIERI's Current Activities

MI T-3 advised on March 21, 1968 that a lavish dinner party was held at The Scene, a night club operated by FRANK BALISTRIERI, on March 20, 1968. This party was attended by 100 to 150 people, including almost the entire membership of the Milwaukee LCN family. The cost of the dinner was taken care of by BALISTRIERI. During the evening collections were taken up for the political campaign of DOMINIC FRINZI who was running for the position of Milwaukee County court judge.

The April 25, 1968 edition of the "Milwaukee Sentinel" contained an article entitled, "'Little Apalachin' Meeting in City on March 20 Told." The article, in part, indicated that more than 20 persons known to police, including about a dozen convicted criminals, met March 20, 1968 at The Scene, 624 North 2nd Street, for what police were told was a political meeting.

One law enforcement officer referred to the meeting as a "Little Apalachin," in reference to a meeting of the widely known criminals several years ago on a farm near Apalachin, New York. The police reportedly watched everyone who went in and out of the night club and also took license numbers of every car on a nearby parking lot. One of the men who was in the night club the night police were watching it, and works in another downtown club, said, "It wasn't a meeting, it was a party, St. Joseph's Day party, that's all I have to say." St. Joseph's Day, March 19th, is a saint's feast day in the Catholic Church.

The May 3, 1968 edition of the Milwaukee Sentinel contained the following letter to the editor from JOSEPH BALISTRIERI, attorney, Milwaukee (son of FRANK BALISTRIERI):

"Of all the malignant scribbling that has ever appeared in your paper, the article of Apr. 25, 'Little Apalachin' Meeting in City on March. 20 Told,' is outstanding for its contrived perversion of the truth. It seems that Italians are the only minority ethnic group who are not entitled to gather without some uninformed slanderer drawing a completely unfounded conclusion. That affair you alluded to was a St. Joseph's day party. I was there, by the way, along with both of my grandfathers.

"It is about time this concentrated campaign to malign Italians for the simple expediency of sensationalism stops; but that would entail fair, honest and accurate reporting, something of which The Sentinel is obviously incapable."

MI T-2 advised on April 19, 1968 that he had received information in the past that SALLY PAPIA was taking over the operation of the Red Lion Room in the Knickerbocker Hotel, Milwaukee. Informant indicated that on April 9, 1968 SALLY PAPIA held a pre-opening party at the Red Lion Room which was attended by FRANK PETER BALISTRIERI, STEVE DE SALVO, SAM CEFALU, PAUL BOGOSIAN, DOMINIC FRINZI, PETER FRANK BALISTRIERI and JIMMY JENNARO.

MI T-3 advised on June 20, 1968 that BIAGGIO JENNARO, father of JIMMY JENNARO, died on June 15, 1968 and that FRANK BALISTRIERI was among those who attended both the wake and funeral.

Business Enterprises

On April 5, 1968 MI T-4 advised that FRANK BALISTRIERI is now engaged in the cigarette vending machine business which is being run by CARL DENTICE, and that they allegedly purchased a cigarette machine vending route for [redacted] This source heard in the past that BALISTRIERI was not paying commissions to business establishments where his vending machines were placed.

b6
b7C
b7D

[redacted]

MI T-1 advised on April 23, 1968 that BALISTRIERI was having difficulties making his downtown night clubs pay off and the source believed it was BALISTRIERI's business policies which have been causing the lack of customers in these night clubs. The bartenders in these clubs are under orders that they are to substitute a cheap grade of whiskey whenever any mixed drinks are ordered. The customers become aware of this and, as a result, seldom return to BALISTRIERI's clubs. It is noted that in connection with the operation of these clubs, no one is permitted to spend any money for improvements or repairs unless the expenditures are personally o.k.'d by BALISTRIERI.

The over-all operation of BALISTRIERI's night clubs appears to be run by PETER FRANK BALISTRIERI but he has very little to say regarding business policies. Source indicated the Downtowner, another of BALISTRIERI's night clubs, is being run by RUDY PORCHETTA who is completely loyal to BALISTRIERI.

MI T-3 advised on May 14, 1968 that the Ad Lib Club, run by BALISTRIERI, has closed its afternoon luncheon business and that the hoodlums who formerly had lunch there are now meeting at Sally's at the Knickerbocker.

This source also advised BALISTRIERI has hired WALTER BROCCA to conduct renovations to the building at 722 North Water Street, Milwaukee, where BALISTRIERI is going to establish a 3-story English pub. Source heard that the costs of the renovations will run between $35,000 and $50,000.

The May 25, 1968 edition of the Milwaukee Sentinel contained the following article:

"LOCAL SALOON CORPORATIONS CITED BY IRS

"Federal tax liens totaling $7,590 have been filed by the internal revenue service against two corporations in which Milwaukee nightclub operator FRANK P. BALISTRIERI has a financial interest.

"The corporations are Ben Kay, Inc., which operates the Downtowner cocktail lounge, 340 W. Wells St., and Pub, Inc., doing business as Galagher's, 829 N. 3rd St.

"BALISTRIERI, 49, of 3043 N. Shepard Av., is free on $15,000 bond pending appeal of his federal court conviction on charges of evading $19,231 in taxes on $54,320 income in 1959 and 1960. He was sentenced to two years in prison and fined $10,000.

"The $3,293 lien against Ben Kay, Inc., was for employe withholding, excise, unemployment and corporate income taxes allegedly owed for various periods in 1962 and 1963 and 1965-'67.

"The $4,297 lien against Pub, Inc., was for employe withholding and corporate income taxes allegedly owed for various periods from 1965-'67.

"IRS also has filed a $3,062 lien against BALISTRIERI's brother, PETER, 1640 N. Jackson St. The lien is a 100% penalty assessed against PETER BALISTRIERI as a principal officer in the old Tower Tavern, Inc., 716 N. 11th St., for delinquency in payment of employe withholding taxes for 1960."

MI T-4 advised on June 12, 1968 that FRANK BALISTRIERI is spending a great deal of money in the remodeling of the building at 722 North Water Street. This remodeling is being handled by WALTER BROCCA who has obtained laborers from the local Rescue Mission. Source indicated that [redacted] who resides in Glendale, Wisconsin, was to conduct a survey and enter a bid for the steel work only in connection with the remodeling of this project. The bid for this steel work would amount to approximately $30,000. Source said that if the steel work amounted to $30,000, the estimated cost of the entire remodeling project would be approximately $150,000. Source noted that BALISTRIERI has already purchased $5,000 worth of used equipment for this bar and restaurant. b6 b7C

MI T-3 advised on June 20, 1968 that FRANK BALISTRIERI has possibly imported someone, name unknown, from the west who has recently been hired by BALISTRIERI as the manager of BALISTRIERI's night club, Gallagher's, on North 3rd Street, Milwaukee.

MI 94-316

This source heard that Alfie's Bar, on North Teutonia Avenue, Milwaukee, which had been owned in partnership by JOHN VOLPE, JR. and JOHN FAZIO, has recently had a change of management. FAZIO and VOLPE had an argument and VOLPE's interest was bought out by FAZIO. Source said he also heard that FRANK BALISTRIERI may have obtained a piece of this tavern as he heard [redacted] who formerly worked for BALISTRIERI, by the name of [redacted] now has the license for Alfie's. b6 b7C

On June 25, 1968 MI T-2 advised that JOHN VOLPE, JR., former owner of Alfie's Tavern, North Teutonia Avenue, Milwaukee, indicated he had sold out his interest in this tavern about two weeks ago and that FRANK PETER BALISTRIERI had purchased an interest in this tavern.

MI T-4 advised on June 24, 1968 that on June 9, 1968 FRANK BALISTRIERI [redacted] Gallagher's. He did this after an argument with his nephew, JOSEPH BALISTRIERI, son of PETER FRANK BALISTRIERI, [redacted] whose first name was known as [redacted] was employed [redacted] and source described this individual as a white male, [redacted] 5 feet 8 inches tall, 180 pounds, dark complexion, possibly of Greek or Italian extraction. b6 b7C b7D

This informant heard that [redacted] who is also known as [redacted] and who was formerly [redacted] at BALISTRIERI's Ad Lib Club, was now the licensee at Alfie's Tavern which would indicate BALISTRIERI had a financial interest in this tavern. b6 b7C

On July 1, 1968 Captain [redacted] Milwaukee Police Department, advised SA DANIEL E. BRANDT that he had determined [redacted] Gallagher's Restaurant was [redacted] born [redacted] in Italy and residing at [redacted] Milwaukee. [redacted] obtained a [redacted] indicating he had b6 b7C

been naturalized as a United States citizen during [redacted] in Madison, Wisconsin. This license described [redacted] as 5 feet 8 inches tall, 170 pounds, black hair, brown eyes. b6 b7D

Gambling Interests

On April 19, 1968 MI T-2 advised that "the Office," a bookmaking operation run by FRANK PETER BALISTRIERI, is still in operation under the direction of SHERIFF CEFALU, but source did not know where the office was located or what telephones the office was using.

MI T-4 advised on May 1, 1968 that ANTHONY SHERIFF CEFALU, who formerly was considered the chief bookmaker in FRANK BALISTRIERI's bookmaking operations, has now allegedly been retired and that his duties are being taken over by FRANK "HOGAN" SANSONE. SANSONE being the key in the bookmaking activities, is given directions by STEVE DE SALVO as to where and with whom any betting action is to be laid off. Source heard that HOGAN [redacted] b7D

On June 20, 1968 MI T-3 advised he was of the opinion that STEVE DE SALVO has definite control over the greater majority of all gambling activities in Milwaukee for the outfit. He believes that anyone who wishes to start either a bookmaking or any other gambling operation in the city, first has to get the approval of DE SALVO. The gamblers and bookmakers are forced to pay for a percentage of their profits, ranging anywhere from 20% to 50%, depending upon the number of people engaged in the operation, and these payoffs are made to DE SALVO who in turn gives the money to FRANK BALISTRIERI.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
July 11, 1968

Title **FRANK PETER BALISTRIERI**

Character **ANTI-RACKETEERING**

Reference **Report of SA DANIEL E. BRANDT at Milwaukee, dated and captioned as above**

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. W. C. Sullivan

DATE: 7/10/68

FROM : W. R. Wannall

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

This is informative memorandum to advise you of telephone call received 7/9/68 by SA [redacted] b6 b7C Domestic Intelligence Division, from [redacted] Milwaukee, Wisconsin, attorney who is friendly to Bureau. [redacted] alerted [redacted] to interest of Dominic Frinzi, hoodlum attorney in Milwaukee who is endeavoring to determine SA [redacted] whereabouts.

Frank Peter Balistrieri is the boss of La Cosa Nostra, hoodlum organization, in Milwaukee. He is represented by attorney Dominic Frinzi who has represented numerous hoodlums in the past. In addition, Frinzi is a former unsuccessful Democratic candidate for the Governorship of Wisconsin.

SA [redacted] from 1960 to 1965 while assigned to the Milwaukee Office handled sound work which included the installation of electronic surveillances on Balistrieri and Frinzi. In 1966 Balistrieri was successfully prosecuted in U.S. District Court, Springfield, Illinois, in connection with a Federal Income Tax matter. During the trial the Department acknowledged that an electronic surveillance had been conducted by the FBI on Balistrieri and Frinzi. b6 b7C

SA [redacted] testified extensively in the Balistrieri case as well as a local Wisconsin case involving one Weiser Covelli, another Milwaukee hoodlum who was represented by Frinzi. [redacted] during this period was employed as a prosecutor by the Wisconsin Attorney General's Office and handled the prosecution of the Covelli case for the State. [redacted] has been a friend of the Bureau for many years. b6 b7C

1 - Mr. DeLoach
1 - Mr. Gale
1 - Administrative Division
1 - Mr. Sullivan
1 - Mr. Wannall
1 - [redacted]

JEO:sed (7)

REC-68 92-3116-553

JUL 15 1968

CONTINUED - OVER

b6 b7C

55 JUL 25 1968

5 - [redacted]

PERS. REC. UNIT

Memorandum Wannall to Sullivan
Re: FRANK PETER BALISTRIERI

On 7/9/68 [redacted] telephonically called SA [redacted] b6 b7C from Milwaukee to alert him to information he had received indicating that Frinzi was seeking to determine SA [redacted] whereabouts. It was [redacted] opinion that Frinzi may be seeking this information preparatory to having a subpeona served on SA [redacted] It is noted that Frinzi has been openly hostile to the Bureau and SA [redacted] in the past and is an avid publicity seeker.

ACTION:

For information. In the event SA [redacted] receives additional pertinent information in this matter you will be advised. As of this time SA [redacted] has received no inquiries concerning his present address and [redacted] has no knowledge that Frinzi has SA [redacted] address. b6 b7C

SUPPLEMENTAL CORRELATION SUMMARY
(See Correlation Summary dated 7-22-66 filed as 92-3116-387)

Main File No: 92-3116
See also: 58-5008
31-90389

Date: 7/24/68

Subject: Frank Peter Balistrieri

Date Searched: 2-20-68

All logical variations of subject's name and aliases were searched and identical references were found as:

Frank Peter Balistrieri
Frank Bal
Frankie Bal
Frank P. Balestrere
Sebastian Balestrere
Frankie Balestreri
Frank Balestrieri
Frank Balisterieri
Frank Balistieri
Frank Balistierie
Frank Balistreiri
Frank Balistreri
Sebastian Balistrieri
Frank Peter Balistriere
Frank Balistrieri
Frank P. Balistrieri
Frankie Balistrieri
Frank Ballestieri
Frank Bell
Frankie Bell
Frank Blankstein
Frank Gallagher

This is a summary of information obtained from a review of all "see" references to the subject in Bureau files under the names and aliases listed above. All references under the above names containing data identical with the subject have been included except any indicated at the end of this summary under the heading REFERENCES NOT INCLUDED IN THIS SUMMARY.

THIS SUMMARY HAS BEEN PREPARED FOR USE AT THE SEAT OF GOVERNMENT AND IS NOT SUITABLE FOR DISSEMINATION. IT IS DESIGNED TO FURNISH A SYNOPSIS OF THE INFORMATION SET OUT IN EACH REFERENCE, AND IN MANY CASES THE ORIGINAL SERIAL WILL CONTAIN THE INFORMATION IN MORE DETAIL.

Analyst | Coordinator | Approved

CER rat

92-3116-554

10 JUL 25 1968

b6
b7C

ABBREVIATIONS

Add. info.....Additional information appearing in this reference which pertains to Frank Peter Balistrieri can be found in the main file or elsewhere in this summary.

LCN.....La Cosa Nostra or La Costra Nostra

*****

GLOSSARY

Balistrieri, Peter Frank — brother of Frank Peter Balistrieri

*****

RELATIVES WHO HAVE BUREAU MAIN FILES

The relationship biographical data and criminal activities of Frank Peter Balistrieri, were set out in the serials of the main files on his relatives as follows:

NAME	RELATIONSHIP	REFERENCE	SEARCH SLIP PAGE NUMBER
Bustiano Veto Balestrere	Cousin	92-5130-44 p.1	(9)
Peter Frank Balistrieri	Brother	92-5783-17 p.B,1,2 -19 p.1,2	(9) (20) (9)

This reference set forth information regarding a gambling operation in Kenosha, Wis., conducted by John Rizzo, who was allegedly tied in with the Frank Peter Balistrieri mob in Milwaukee, Wisc., for the period 12/2/60 through 5/10/6/. Rizzo operated a "craps" game and allegedly a horse race "booking" operation, at 2207-56th and on weekends "Buster" Balestrere and Steve DeSalvo, who were supposed to be members of Balistrieri's mob, came to Kenosha to see that Balistrieri received his "cut." Gamblers in Kenosha were convinced that a hold-up of a "craps" game at the Rite -Spot, 1213 55th St., Kenosha was "fingered" by Balistrieri because of its opposition to the "craps" game run by Rizzo.

[redacted] b3 b7E

[redacted] advised that Frank Peter Balistriere became "boss" of the Milwaukee "family" of La Cosa Nostra in 1962. b7D

On 5/28/62 officers of the Milwaukee PD, Milwaukee, Wisc., observed an automobile, which was registered to Anthony Mangiaracana (92-5929), parked in the vicinity of Gallagher's Restaurant, Milwaukee. The restaurant was operated by Balistriere.

92-5929-96 p.19
(25)

The Milwaukee PD, on 8/10/63, observed John B. Molle (92-8010) in the dining room of a hotel in Milwaukee in the company of Frank B. Balestrere and others.

92-8010-1 p.9
(27)

[redacted] advised that on [redacted] four LCN members [redacted] had visited Milwaukee. [redacted] located Frank Balistrieri and spent the evening with him and some other individuals. b6 b7C b7D

92-9106-1 p.B,C,13,15
(12)

[redacted] advised that on 5/31/65, Frank Balistrieri was present at the Guardalabene and Amato Funeral Home in Milwaukee when the body of Mrs. Gracia Maniaci, the mother-in-law of Nick Fucarino (not further identified) lay in state. b7D

92-7710-10 p.1
(11)

[redacted] advised on 7/16/65, that Joseph Frank Enea (92-8566) was still working for Frank Balistrieri as a bartender at Gallagher's Restaurant, Milwaukee, which was owned by Balistrieri. b7D

92-8566-3
(11)

[redacted] advised that [redacted] b7D

92-3141-99 p.F
(7)

[redacted] advised on 6/15/65 that [redacted] Frank Balistrieri should go to jail a new boss would be elected [redacted] b7D

[redacted] advised on 7/12/65 that [redacted] replacing Balistrieri as Milwaukee head of the LCN. b7D

On 9/27/65, Di Maggio stated that he had not seen Balistrieri recently.

Add. info.

92-7048-8 p.B,1,2
(10)

[redacted] advised that William Covelli (92-6824) had not been seen in Milwaukee since he attended Frank Balistrieri's party held at "The Scene" tavern, Milwaukee, on 9/5/65. b7D

The 10/1/65 issue of "The Kenosha Evening News", Kenosha, Wisc., contained an article relating to a preliminary hearing for

(continued)

(continued)

four individuals accused of commercial gambling. It noted that seated at the defense table with Dominic Frinzi, an attorney, was Attorney Joseph Balistrieri, the son of Frank Balistrieri, reputed crime syndicate king-pin in the Milwaukee area. The article continued that Frank Balistrieri operated a strip tease bar-supper club in Milwaukee and allegedly controlled vice and gambling in the area. The article also noted that in 1961, a Chicago newspaper reported that Federal agents were investigating Frank Balistrieri in connection with a bookie network running from Chicago to Milwaukee.

Add. info.

92-6824-7 p.1,2,3
(10)

Prior to 9/28/65 Walter Brocca (92-3349) had a talk with Frank Balistrieri about his personal situation. Prior to going to Milwaukee [redacted] b7D

As of 10/5/65 Brocca was still in Milwaukee and still attempting to straighten out his troubles with Balistrieri.

As of 10/12/65 informant doubted that Brocca was able to get into the good graces of Balistrieri before he returned to California.

[redacted]
92-3349-76 p.B,C b7D
(8)

Sam Ferrara (92-7093) and Peter Balistrieri, deceased, who was an uncle of Frank Balistrieri, were believed to have killed one Pasquale Caruso, Milwaukee on 12/12/34.

Informant advised on 8/23/65 that Ferrara was recently seen at La Bistro, one of Frank Balistrieri's night clubs in Milwaukee and while there was in contact with Peter Balistrieri, Frank's brother.

On 9/5/65, a party was given by Frank Balistrieri for his son Joseph at The Scene, a night club operated by Balistrieri, but there was no actual LCN meeting in conjuction with the party, although Balistrieri did have an office at The Scene, which was suitable for meetings of "the chair."

Add. info.

[redacted] b7D

92-7093-7 p.D,E,i2
(10)/(20)

On or prior to 10/5/65 Nick Fucarino (not further identified) stated that two FBI agents recently had talked to James Joseph Schiavo (92-8602) and asked Schiavo about his relationship with Frank Balistrieri.

On 11/7/65, a wedding shower was given for [redacted] at Alioto's Restaurant, Milwaukee, attended by about 200 women and 20 men. The men met in a separate room but the meeting was of no great significance because Balistrieri was not there.

Add. info. b6 b7C b7D

[redacted]

92-8602-3 p.B,C
(12)

[redacted] advised on 10/1/65, that Sam Dentice (92-7780) was still employed at Gallagher's Restaurant, Milwaukee, by Frank Balistrieri. b7D

[redacted] advised on 10/7/65, that Dentice was still operating as a "runner" for the gambling office of Balistrieri.

[redacted] advised on 11/8/65, that Dentice was still working for Balistrieri at Gallagher's and at The Scene, and also was employed as a runner for "The Office." "The Office" was identified as being the booking operation, which was operated for Balistrieri by "Sheriff" Cefalu (not further identified).

Add. info. according to [redacted] b7D

92-7780-10 p.1,3
(11)

[redacted] advised on 11/15/65, that [redacted] had been heard to mention that Frank Balistrieri was interested in starting a Play Boy Club in the Milwaukee area.

b6
b7C
b7D

It was noted that Balistrieri had in the past referred to John Volpe, a Milwaukee hoodlum, as his "Compare."

92-9304-1 p.1,2
(12)

[redacted] advised on 11/15/65 that "Sheriff" Cefalu (not further identified) [redacted]

b7D

Add. info. according to [redacted]

165-380-11 p.C,D,E,F,1
(13)

[redacted] advised on 11/28/65 that [redacted] Milwaukee received [redacted] from Johnny Pitch (John Picciurro), an uncle of Frank Balistrieri [redacted] In turn [redacted] Through an intermediary [redacted] who in turn told that individual to mind his own business [redacted] Informant also advised that it was his understanding that Pitch had been a source of money for Balistrieri and that this relationship could cause irritation of Balistrieri [redacted]

b6
b7C
b7D

Add. info.

[redacted]

This reference sets forth information regarding the activities of Frank Balistrieri on [redacted] in Milwaukee in connection with a shower for, and the wedding and reception [redacted] were members of the Milwaukee and Madison, Wisc. families of the LCN. Balistrieri visited some of the wedding guests who were staying at the Mayfair Hotel, Milwaukee, on 12/6/65, the eve of the wedding, and attended the wedding reception at the Eagles Club, Milwaukee on 12/7/65. Balistrieri's sons [redacted] At the reception Balistrieri talked a great deal with guests, many of whom were LCN members; also held a private conference with Milwaukee Phil Alderisio (not further identified) who did not make his presence generally known. Joseph Aiello stated that Carlo Caputo, both wedding guest and member of the Madison LCN, had been questioned by the FBI and had denied knowing Balistrieri. Balistrieri made no significant statements at the reception. b6 b7C

92-3369-20 p. B,C,D,3,4
(8)

[redacted] on 12/10/65, advised that John Charles Rizzo (92-5012), and William Covelli (not further identified) had been going to Milwaukee about three times a week and would go to the "Scene," which was operated by Frank Balistrieri. During those trips Covelli and Rizzo would usually confer with Balistrieri. b7D

92-5012-65 p. A,2
(8)

On 10/31/65 a stag party was given at Alioto's Restaurant, Milwaukee for [redacted] who was employed by Frank Balistrieri. b6 b7C

Informant advised on 1/3/66, that Balistrieri gave a Christmas Party with a group of his associates at Fazio's Restaurant in Milwaukee.

[redacted]
92-7706-14 p.1
(11) b7D

[redacted] advised on 1/5/66, that Filippo Damiano (92-8774) while in Milwaukee some 20 to 30 years ago, was close to Pete Balistrieri, deceased uncle of Frank Balistrieri. b7D

92-8774-3 p.C
(12)

[redacted] advised that on 12/24/65, Frank Balistrieri had a Christmas get together with a group of his associates at Fazio's Restaurant and Bar on Jackson St., Milwaukee. b6 b7C

[redacted] (protect identity) [redacted] Milwaukee, on 1/21/66, advised that Jerome Joseph DiMaggio (92-8067) was working at The Downtowner for Balistrieri. b7D

It was noted that Balistrieri might have been engaged in gambling and prostitution activities.

Add. info. according to [redacted] b7D

92-8067-9, p.1,2,5
(11) (21)

This reference set out information regarding the activities of Frank Peter Balistrieri, from 12/19/64 through 1/31/66, in association and friendship with Frank Ranney, Secretary-Treasurer of the Teamsters Local 200, Milwaukee. (92-5375), and with [redacted] who was probalby identical with [redacted] Milwaukee Area [redacted] Allegations had been made, which were not verified, that Balistrieri may have [redacted] b6 b7C b7D

92-5375-11 p.C,1-5,7
(9) (20)

[redacted] b6 b7C b7D

[redacted] Milwaukee, on 2/25/66, was advised that James Raymond Jennaro (92-8783) might hold the license for Frank Balistrieri's proposed operation on Wells St., Milwaukee.

Add. info.

92-8783-3 p.1,2
(12)

On 1/31/66, Steve DeSalvo (92-5134) was observed in the company of Peter Frank Balistrieri at the "Scene," a night club in Milwaukee which was owned by Peter Frank Balistrieri and his brother Frank Peter Balistrieri.

On 3-4-66, DeSalvo was continuing his close personal relationship with Frank Peter Balistrieri.

[redacted] b7D

92-5134-62 p.1,2
(20)

[redacted] advised on 3/15/66, that Albert Albana (92-6465) b7D usually kept in touch with Frank Balistrieri by going to Milwaukee every several weeks from Kenosha, Wisc. The nature of the contacts between Albana and Balistrieri allegedly related to gambling and night club interestsin Kenosha.

92-6465-54 p. B,C
(10)

[redacted] advised that in April,1966, after attending a funeral service in Milwaukee, Frank Correnti (92-9050) and two other individuals visited a night club, "The Scene" along with Frank Balistrieri, owner of the club. b7D

92-9050-2 p.9
(29)

As of 4/12/66, Walter Felix Brocca (92-3349) was possibly still in the disfavor of Frank Balistreri.

On 5/15/66, Brocca stated that he left Milwaukee to work in California because of a falling out with Frank Balistrieri [redacted] b7D

On 5/16/66, Santo Marino, who was in the cheese business in California, mentioned to Brocca that Balistrieri should be gotten rid of.

Informant pointed out that [redacted] b7D

92-3349-77 p.B,D,E
(31)

[redacted] advised on 6/6/66, that Joseph Frank Enea (92-8566) was working for Frank Balistrieri as the head bartender at Balistrieri's club, "The Scene," Milwaukee. Recently another employee at "The Scene" hit the leader of a band known as "The Shags", which was playing at that club, and for that reason, principally, that band was not going to renew its contract with Balistrieri nor did it desire to play for any night club owned by Balistrieri. Enea was held responsible for the action of the employee involved in the above incident by Balistrieri. b7D

92-8566-4 p.1
(11)

[redacted] advised that John Picciuro, a Milwaukee tavern operator, who recently died in Milwaukee, was the uncle of Frank Balestrieri. b7D

The above information was set out in Kansas city report 6/24/66.

92-8010-5 p.1,2,3
(29)

[redacted] advised that on 6/25/66, Frank Balistrieri and several other Milwaukee hoodlums were present at the funeral in Milwaukee of John Spera, who was the brother of Joe Spera, a Milwaukee hoodlum. b7D

92-9127-4 p.1
(12)

[redacted] advised on 6/28 & 29/66, that Benedetto DiSalvo (92-7710) was a close friend to Frank Peter Balistrieri. b7D

92-7710-13 p.1
(20)

[redacted] advised that during the first or second week

[redacted] b7D

Add. info.

[redacted]

John Charles Rizzo (92-5012) in October 1964, testified before a local magistrate incidental to the so called "John Doe" investigation in Kenosha County, Wisconsin and admitted that he was acquainted with Frank Balistrieri.

[redacted] on 8/1/66 advised that Rizzo and William Covelli of Kenosha, Wisc. conferred at length with Balistrieri at the latter's night club, the Ad Lib, Milwaukee. b7D

[redacted] stated on 8/23/66 that Rizzo and Covelli visited Balistrieri in Milwaukee occasionally but Balistrieri was not known to visit Kenosha. b7D

92-5012-68 p. B, 1-3
(8)

[redacted] advised on 10/10/66, that Joe Piscione (not further identified), Frank Sansone (not further identified), and Louis Fazio (92-7324) had to give 25 per cent of their profits on sports events booking activities to Frank Balistrieri for the privilege of operating. b7D

92-7324-11 p.1
(10)

[redacted] advised that on the weekend of [redacted] in Milwaukee. Walter Felix Brocca (92-3349) [redacted] b6
It was not known what this was about, but it raised the question of a possible tie-in between [redacted] b7C b7D

92-3349-80
(8)

[redacted] identified Louis Fazio (92-7324) as a close acquaintance of Frank Balistrieri. b7D

The above information was set out in Milwaukee teletype 2/15/67.

92-7324-14 p.2
(10)

On 11/7/66, Frank Stelloh (92-6468) was working for Frank Balistrieri and was in charge of the custodial crew that cleaned up Balistrieri's night clubs.

On 1/12/67 and 3/9/67 Stelloh was still employed by Balistrieri and in charge of the janitorial forces at the latter's night clubs.

[redacted] b7D

92-6468-23 p.1,2
(10)

During the week that ended 3/18/67, Gus Chiaverotti, a Milwaukee, Wisc. hoodlum, returned from Springfield, Ill., where he had testified for Frank Balistrieri during the latter's Federal Income Tax Trial on which he was convicted. After the trial Balistrieri told Chaiverotti that he did a good job of testifying and invited Chiaverotti to come and see him and that he would do something for Chiaverotti.

[redacted] b6 b7C b7D

[redacted] b7D

Add. info.

[redacted] b7D

66-2542-11-30-97 p.1,2
(7)

[redacted] advised on 4/18/67, that Steve John De Salvo b7D

(continued)

(continued)

(92-5134) had continued to maintain his close association with Frank Peter Balistrieri, Milwaukee.

92-5134-70
(20)

b7D

[redacted] advised on 7/11/67, that he knew of no close ties between Francisco (Big Frank) Balistrieri [redacted] in San Diego, Calif. with the relatives of Big Frank in Milwaukee, Frank Peter Balistrieri, Frank's brother or father.

92-6054-2051
(20)

[redacted] advised that on 9/29/67, Frank Balistrieri gave a party at Sally's Restaurant, Milwaukee. Louis Fazio (92-7324), one of Balistrieri's trusted lieutenants was present. b7D

[redacted]

In a news article dated 5/9/67, which appeared in the "Milwaukee Sentinel," Milwaukee, John Charles Rizzo (92-5012) stated that he did not have any business connections with Frank Balistreri and that, to his knowledge, Balistreri did not have any connection with the Ogden Social Club, Milwaukee.

[redacted] advised on 10/11/67, that he had seen Rizzo about three weeks earlier in front of The Scene in Milwaukee and assumed that Rizzo would have been in contact or had attempted to contact Balistrieri. b7D

[redacted] advised on 10/17/67, that he had not seen Rizzo in the Milwaukee area, lately, but believed he was still doing business with Balistrieri. b7D

92-5012-70 p.1,3,6
(9)

Phil Valley (92-3389) and Ben Barwick, an official of Local 122 of Hotel, Motel, Restaurant, Cafeteria Employees and Bartenders Union, Milwaukee, were described as friends of Frank Balistrieri. Balistrieri had been known to visit Valley at the latter's union office in Milwaukee. Valley and Balistrieri had worked together in years past in the promotion of prize fights in Milwaukee. Valley and Barwick had been known to associate with friends of Balistrieri who had been identified with the Italian-American hoodlum element in Milwaukee. (No source or date).

[redacted] advised on 10/13/67 that Valley at times ate lunch at the Ad Lib, a Milwaukee night club and eating spot operated by Balistrieri. b7D

92-3389-47 p.1,2
(8)

The following references in the file captioned "Steve John DeSalvo" set out information regarding Frank Peter Balistrieri from 9/7/65 through 11/16/67 in Milwaukee. DeSalvo maintained a close personal association with Balistrieri and was observed in the latter's company often. DeSalvo was a collector for Balistrieri's gambling operations in Milwaukee, and spent a good deal of his spare time at the Ad Lib Club, Milwaukee, which was operated by Balistrieri.

REFERENCE	SEARCH SLIP PAGE NUMBER
92-5134-59 p.1	(20)
92-5134-60 p.1	(9)
92-5134-62 p.1,2	(9,20)
92-5134-70 p.1	(20)
92-5134-72	(not indexed)
92-5134-74	(9)

The following references in the file captioned "Top Hoodlum Program" contain information regarding the activities of Frank Peter

(continued)

(continued)

Balistrieri, a top hoodlum, from 1/6/60 through 1/10/68, in Milwaukee, Wisc., Chicago and Springfield, Ill., and NYC. Balistrieri was a leader in the LCN "family" in Milwaukee and for most of the above period was head of the "family" in that area. Balistrieri had a financial interest in or owned taverns, restaurants, night clubs, strip-tease night clubs and various other enterprises in and around Milwaukee. Balistrieri alledgedly controlled the "Office," a sports booking operation in Milwaukee. Independent bookies, reportedly, had to pay Balistrieri off in order to operate and to obtain data from the "Office." He was convicted on federal income tax charges on 3/23/67, but had not been sentenced. Information concerning Balistrieri's contacts and association with other hoodlums was also set out including reported connections with LCN "family" in Chicago and Kansas City.

REFERENCE	SEARCH SLIP PAGE NUMBER
62-9-9-1841 p.19	(1)
62-9-30-98 Encl. 4 p.1-4	(17)
62-9-30-144 Changed to 62-9-30-626	(2) (18)
62-9-30-495 p.2,3	(2)
62-9-30-500 p.1,3	(2) (18)
62-9-30-501 p.1,2	(2) (18)
62-9-30-503 p.1	(18)
62-9-30-506	(18)
62-9-30-508 p.2	(18)
62-9-30-512 p.1,2	(2)
62-9-30-514 p.1,2	(18)
62-9-30-515	(18) (24)
62-9-30-517 p.1,2	(19)
62-9-30-518 p.1-3	(2)
62-9-30-519	(2) (19)
62-9-30-522	(2)

(continued)

(continued)

REFERENCE	SEARCH SLIP PAGE NUMBER
62-9-30-524	(2)
62-9-30-526	(3)
62-9-30-527	(3)
62-9-30-528	(3)
62-9-30-532	(3)
62-9-30-534	(19)
62-9-30-539	(3)
62-9-30-543 p.2	(3)
62-9-30-544	(3) (19)
62-9-30-546	(3)
62-9-30-550	(3)
62-9-30-553	(4)
62-9-30-554	(19)
62-9-30-555	(4) (19)
62-9-30-556 p.1-3	(4)
62-9-30-557	(4)
62-9-30-559 p.1-3	(4)
62-9-30-561 p.1,2,3	(4)
62-9-30-562	(4) (19)
62-9-30-569 p.1,3	(4)
62-9-30-571 p.3,4	(5)
62-9-30-572	(5)
62-9-30-575 p.1-3	(5)

(continued)

(continued)

REFERENCE	SEARCH SLIP PAGE NUMBER
62-9-30-576	(5)
62-9-30-583 p.2,3,4	(5)
62-9-30-584 p.1,2	(5)
62-9-30-587 p.1,2,3,4	(5)
62-9-30-588 p.2	(5)
62-9-30-589 p.2,3	(5)
62-9-30-595 p.1,2	(6)
62-9-30-596	(6)
62-9-30-599	(6)
62-9-30-600 p#1,2,6-14,19,21,25,36,41-47	(6) (19)
62-9-30-603	(6)
62-9-30-604	(6)
62-9-30-607	(6)
62-9-30-611 p.1,2	(6) (19)
62-9-30-617 p.2,3,4	(6)
62-9-30-619 p.1-4	(7)
62-9-30-620 p.2	(7)
62-9-30-621 p.1-4	(7)
62-9-30-622	(19)
62-9-30-623 p.1-3	(19)

The following reference on Frank Balistrieri has been reviewed and is identical with the subject; however, the information

(continued)

(continued)

was received from a highly sensitive source and is not being included.

REFERENCE	SEARCH SLIP PAGE NUMBER

b7D

*****

REFERENCES NOT INCLUDED IN THIS SUMMARY

The following reference was not available during the time this summary was being prepared:

REFERENCE	SEARCH SLIP PAGE NUMBER
62-9-30-551	(4)

See the search slip filed behind file for other references on this subject which contain the same information (SI) that is set out in the main file or elsewhere in this summary. Although the information is the same it may have been reported by a different source.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
AUG 19 1968

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC

FBI MILWAUK

550PM DEFERRED 8/19/68 JSM

TO DICRECTOR (92-3116), LAS VEGAS, SAN FRANCISCO AND LOS ANGELES

FROM MILWAUKEE (94-316)

FRANK PETER BALISTRIERI, AR, OO MILWAUKEE.

REC-81

THIS DATE PCI ADVISED THAT

b6
b7C
b7D

FRANK BALISTRIERI IS MILWAUKEE LCN BOSS AND IS BELIEVED BY MILWAUKEE TO BE NEGOTIATIONG THE PURCHASE OF THE RIVERSIDE HOTEL AND GAMBLING CASINO IN RENO.

END

EXJ

FBI WASH DC

TU

REC- 81 92-3116-555

GT-106

12 AUG 26 1968

56 SEP 3 1968

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (92-3116) DATE: 9/6/68

FROM : SAC, Milwaukee (94-316) -P-

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: MILWAUKEE

On 8/28/68 [redacted] (protect identity), [redacted] contacted Milwaukee Office. b6 b7C b7D

He explained he is presently [redacted] indicated he was a [redacted] FRANK PETER BALISTRIERI. b6 b7C b7D

[redacted] advised he recently completed [redacted] FRANK PETER BALISTRIERI [redacted] b6 b7C b7D

[redacted] explained that within the past 2 weeks [redacted] BALISTRIERI available to [redacted] said he and other members of his group felt [redacted] indicated that he wished to [redacted] the FBI for [redacted] the provision that his name in no way be used as the source of this information. b6 b7C b7C

EX 110
REC 54 92-3116-556

2-Bureau RM
3-Milwaukee (94-316)
(1 - 94-316-Sub 3)
[redacted]
DEB:mk
(5)

11 SEP 9 1968

b3 b7E

148

5010-108-01

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

MI 94-316

[redacted] being kept as part of Milwaukee file on BALISTRIERI. [redacted] BALISTRIERI's activities [redacted]

b6
b7C
b7D

Above is being furnished to the Bureau for information purposes in the event they should receive any inquiries from the Department [redacted] BALISTRIERI.

b7D

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	10/17/68	7/16-10/16/68

TITLE OF CASE

FRANK PETER BALISTRIERI, aka

REPORT MADE BY: SA DANIEL E. BRANDT

TYPED BY: mk

CHARACTER OF CASE: AR

REFERENCE

Report of SA DANIEL E. BRANDT, Milwaukee, 7/11/68.

-P-

LEADS

MILWAUKEE OFFICE - AT MILWAUKEE, WIS.

1. Will contact president of Midland National Bank re $200,000 loan negotiated by subject's son covering remodeling at 722 N. Water St. and purchase of Brass Rail.

2. Will report results of appeal of BALISTRIERI's recent income tax evasion conviction.

ACCOMPLISHMENTS CLAIMED None

CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	ACQUITTALS
						None

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED [signature] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

3-Bureau (92-3116) RM
1-USA, Milwaukee
2-Milwaukee (94-316)

92-3116-557

REC 16

EX 110

OCT 21 1968

Dissemination Record of Attached Report

Agency	CC. AAG, Criminal Division,
Request Recd.	
Date Fwd.	Organized Crime and Racketeering
How Fwd.	Section, Room 2534
By	

Notations

NINE STAT. SECT.

54 NOV - 4 1968

1 NOV 10 11/1/68

★ U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

MI 94-316

INFORMANTS

Identity of Informant	Date Contacted	Contacting Agents
MI T-1 is [redacted]	8/13/68	SA DANIEL E. BRANDT SA [redacted]
MI T-2 is [redacted]	8/14/68	" "
MI T-4 is [redacted]	7/8/68 8/27/68	" " SA DANIEL E. BRANDT SA [redacted]
MI T-5 is [redacted]	7/3/68 8/21/68	SA DANIEL E. BRANDT SA DANIEL E. BRANDT SA [redacted]
MI T-6 is [redacted]	6/13/68	SA [redacted]
MI T-7 is [redacted]	8/20/68	SA [redacted]

b6
b7C
b7D

MI TE informant [redacted] was formerly reported in this case as [redacted] however, for security reasons he is now being assigned symbol [redacted] in an effort to protect his identity. b7D

ADMINISTRATIVE

Informant Information Not Reported in Details

The following information received by informants is being reported as part of the administrative data in an effort to conceal the identity of valuable informants.

MI T-4 advised on 7/8/68 that FRANK PETER BALISTRIERI and MILWAUKEE PHIL ALDERISIO traveled to Reno, Nev., during the last week or two for a couple of days, during which time they purchased or negotiated the purchase of a 2 story motel or hotel. Plans have been drawn for an extensive multi story round addition to this building which will be placed in the center of the building.

The first floor of the building also will be enlarged for gambling casino purposes. According to this source, the building as of the present does not have a gambling license but it was believed this license would be obtained during the course of the improvements to the building.

BALISTRIERI approached FRANK LEO SANSONE, local Milwaukee bookmaker, with a proposition that SANSONE travel to Reno, Nev., to work for him and manage the gambling casino at this new establishment.

Source advised he was of the opinion that [redacted] b7D

MI T-4 indicated that ALDERISIO allegedly financed the remodeling of the plush offices occupied by JOSEPH P. BALISTRIERI, son of FRANK BALISTRIERI, who is a young Milwaukee attorney. ALDERISIO also gave FRANK BALISTRIERI authority to hire experienced building contractors to handle the remodeling of the building at 722 N. Water St. which BALISTRIERI is making into a 3 story night club.

MI T-4 advised that Alfie's Tavern on N. Teutonia Ave., Milwaukee, which had been opened for approximately 1 year, was owned in partnership by JOHN FAZIO and [redacted] who in turn hired JOHN VOLPE, JR. to act as manager. FAZIO and [redacted] had difficulties with VOLPE and, after a heated argument, they closed Alfie's for 1 night and offered a cash settlement to VOLPE. LOUIS FAZIO called FRANK BALISTRIERI and asked him if he wanted to purchase this tavern. BALISTRIERI agreed to purchase the tavern for $5,000 plus inventory. Source understood [redacted] b6 b7C b7D

MI 94-316

MI T-5 advised on July 3, 1968 that he has received rumors that FRANK BALISTRIERI is negotiating with MILWAUKEE PHIL ALDERISIO for the purchase of a gambling establishment in Reno, Nev. Source did not know the extent of the negotiations, but the name of Riverside was mentioned and also the fact that this establishment had been raided in the past for using crooked dice on their crap tables.

The Las Vegas Division advised on 7/19/68 that HAROLD ANDERSON, Chief of Investigation, Nevada Gambling Control Board, Carson City, Nev., advised SA [redacted] that he heard the Teamsters Union was now meeting in San Diego, Calif. and they undoubtedly would decide what would be done with the Riverside Hotel, Reno, Nev. The union had purchased the Riverside Hotel in the name of their pension fund on 2/4/68 for 1 million dollars. The casino of the Riverside was closed prior to this date after investigation of the Nevada Gambling Control Board found dealers using misspotted dice to cheat. ANDERSON indicated they could locate no records concerning FRANK PETER BALISTRIERI, FELIX ALDERISIO or FRANK LEO SANSONE. b6 b7C

The "Nevada State Journal," a daily newspaper published in Reno, Nev., on 7/16/68 carried a front page headline story disclosing the Riverside Hotel had been purchased by [redacted] a Houston, Texas businessman, on 7/15/68. [redacted] was described as the head of a group of investors who will make about 1½ million dollars of improvements at the hotel before reopening it. [redacted] purchased the hotel from the Teamsters Union, Central States Pension Fund. b6 b7C

The Chicago Division advised by letter dated 8/13/68 that they had received the following information from [redacted] which information was furnished to SA [redacted] b6 b7C b7D

Informant advised on 6/6/68 that FRANK BALISTRIERI, a Milwaukee, Wisconsin hoodlum [redacted]

MI 94-316

[redacted] b7D

[redacted] Informant advised on 6/10/68 that FRANK BALISTRIERI from Milwaukee was due in Chicago possibly on 6/11/68. He further advised that PHIL ALDERISIO departed Chicago on 6/10/68, destination unknown.

On 6/12/68 informant advised that ALDERISIO had returned to Chicago 6/11/68 but had made no comments concerning his whereabouts during his travel. ALDERISIO indicated he had two appointments at Postl's on 6/12/68 but did not identify the persons whom he would contact. Informant expressed the opinion that since BALISTRIERI had made the statement that he was to be in Chicago during the week of 6/11/68, it was probable one of the appointments had on 6/12/68 was with BALISTRIERI.

[redacted] advised on 6/20/68 that [redacted] b7D

Informant had no idea as to what [redacted] b7D

pointing out that FRANK BALISTRIERI [redacted]

Informant advised on 7/1/68 that the son of FRANK BALISTRIERI from Milwaukee, Wisconsin, an attorney [redacted] b7D

in Milwaukee, Wisconsin. According to informant, the

MI 94-316

[redacted] b7D

On 7/11/68 informant advised that ALDERISIO was mysteriously absent [redacted] ALDERISIO returned [redacted] and made no comments concerning his absence.

[redacted]

Informant recalled ALDERISIO's involvement with FRANK BALISTRIERI [redacted] b7D

[redacted]

Informant advised that in connection with [redacted]

[redacted]

Milwaukee, Wisconsin, it was stated by ALDERISIO that b7D

[redacted]

MI T-6 advised on 6/13/68 that he had learned through his various associates that FELIX ALDERISIO, known as MILWAUKEE PHIL, has been in Milwaukee, Wisconsin, on 3 separate occasions within the past 2 weeks. While in Milwaukee, MILWAUKEE PHIL attended a party at the place of business of a girl friend, SALLY PAPIA, at the Knickerbocker Hotel. This party was attended by both PETER and FRANK BALISTRIERI, as well as several other persons who are believed to be associated with La Cosa Nostra.

MI T-5 advised [redacted] FRANK BALISTRIERI regarding his appeal on his recent income tax evasion conviction. BALISTRIERI indicated the appeal would be heard in Chicago during September, 1968. He advised that when the appeal is b7D

decided [redacted] b7D

MI T-5 advised on 9/4/68 that [redacted] LCN member of Milwaukee family, who resides in Kenosha, Wis., [redacted] b6 b7C b7D was attended by the entire Milwaukee LCN family with the exc eption of a very few members.

Informant advised [redacted] Informant felt that the failure [redacted] was again an indication of the disunity in the Milwaukee LCN family and showed the inability of FRANK BALISTRIERI, as boss of the family, to attempt to patch up differences he has [redacted] b7D

[redacted] who requested his identity be concealed, advised SA DANIEL E. BRANDT on 9/6/68 that he had received [redacted] b6 b7C b7D

[redacted] b6 b7C

Milwaukee PD, advised on 10/2/68, confidentially, that based upon information they had received from their sources that STEVE DE SALVO would take over the leadership

of the Milwaukee LCN family if FRANK BALISTRIERI is sent to prison on his recent income tax evasion conviction.

[redacted] b7E

[redacted] b7E

MI T-2 advised on 10/3/68 that [redacted] had an argument and fight with FRANK FAZIO on 9/30/68 as a result of derogatory remarks FAZIO made [redacted] SALLY PAPIA. After the fight [redacted] b6 b7C received a telephone call from one of the FAZIO brothers and was given 24 hours to leave town. [redacted] apparently did not take the threat seriously; however, SALLY PAPIA made contact with FRANK BALISTRIERI, who indicated he would straighten out this matter.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Milwaukee

Report of: SA DANIEL E. BRANDT
Date: 10/17/68

Office: Milwaukee

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Oral arguments were heard by Circuit Court of Appeals, Chicago, Ill., on 9/26/68 on BALISTRIERI's appeal of his income tax evasion conviction. Court decision on appeal is expected to be rendered within 30 days. On 7/14/68 subject's son made $75,000 offer to purchase the Brass Rail, a strip joint, in downtown Milwaukee. [redacted] advised steel structural repairs to subject's building at 722 N. Water St. amounted to $27,371. [redacted] estimated total costs for remodeling this building would come to $150,000. Sources advised BALISTRIERI continues to have contact with FELIX ALDERISIO of Chicago.

b6
b7C

-P-

Details: At Milwaukee, Wisconsin

Status of the Appeal of
BALISTRIERI's Income Tax Evasion Conviction

The September 27, 1968 issue of the "Milwaukee Sentinel" contained the following information:

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☆ U.S. GOVERNMENT PRINTING OFFICE: 1967—O—273-878

(Mount Clipping In Space Below)

Balistrieri Case Actions Defended

By KENNETH P. ROESSLEIN
Sentinel Staff Writer

Chicago, Ill. – A justice department attorney Thursday defended government actions taken to secure the conviction of Milwaukee tavernkeeper Frank P. Balistrieri on tax evasion charges.

Under some rather pointed questioning from Judge Lathan Castle, chief judge of the federal circuit court of appeals here, Atty. Charles A. McNelis admitted prosecution errors during the trial but added that they were not grounds for reversing Balistrieri's conviction.

The court was asked Thursday by Balistrieri's attorney, Maurice Walsh, Chicago, to set aside the conviction on the ground that there was "a saturation" of electronic surveillance by the federal bureau of investigation and that the prosecution failed to prove any sources of Balistrieri's allegedly unreported income.

Walsh also argued that Balistrieri's conviction, now being appealed, should be reversed because of judicial error and alleged misconduct on the part of a United States attorney in questioning a witness during the trial held in Springfield, Ill.

While the three judge panel hearing oral arguments in the case Thursday allowed Walsh to speak with few interruptions, McNelis was asked questions on several occassions by Castle. The two other judges were Thomas E. Fairchild and Win G. Knoch.

Federal Judge Omer C. Poos sentenced Balistrieri, 51, of 3043 N. Shephard av., to two concurrent terms of two years in federal prison and fined him $10,000. Sentencing came on Sept. 18, 1967. The trial ended Mar. 23, 1967. Balistrieri was found guilty of evading $8,828 in taxes in 1959 and $11,752 in 1960.

In his argument, Walsh contended that Franklyn M. Gimbel, former assistant United States attorney in Milwaukee, prejudiced the jury by asking a defense witness, Harold Klein, if he had ever been arrested or convicted of a felony.

Klein, of 17855 Royalcrest dr., Brookfield, had testified that he loaned Balistrieri $5,000 in October, 1960.

"This was flagrant misconduct on the part of the prosecutor," Walsh charged. "It was just a matter of plain ignorance, but it was irreparable. There was no reference to the jury that the man had no record. It cast a pall on every witness we called later."

Poos, during the trial, sustained defense objections and directed Klein not to answer the questions.

McNelis, arguing that the questioning of Klein was not prejudicial, was asked by Castle if it didn't "sort of leave the jury with that impression."

"The question clearly was improper," McNelis replied, "but that does not necessarily make it prejudicial. I certainly do regret it. But it does not constitute reversible error. This was one improper instance in a long, drawn out trial."

Walsh argued that the FBI conducted an extensive eavesdropping investigation as part of its probe of Balistrieri.

"They were making a saturation investigation of Mr. Balistrieri and came up with a pitifully poor tax case," Walsh told the three judge panel.

At the trial, Poos granted a defense motion that all evidence obtained through eavesdropping be suppressed.

It was revealed during the trial that eavesdropping equipment had been planted in Balistrieri's former office at 2559-61 N. Downer av.; in the N. Prospect av. apartment of his bookkeeper, Miss Jennie Alioto, and in the downtown law office of Atty. Dominic Frinzi, who also represented Balistrieri in the income tax case.

Walsh argued that although Poos had suppressed the evidence obtained through "bugging," internal revenue agents could not have erased from their minds information turned over to them by the FBI for possible leads in their case.

"Do you think that the agents erased all that information from their minds?" Castle asked McNelis during his oral argument.

"They got their end results from legally obtained evidence," McNelis replied. "The evidence presented in court was not the result of illegal acts."

He argued that information compiled in the Balistrieri case came from "untainted" confidential sources, surveillance by postal officials of addresses on Balistrieri's mail and newspaper articles.

"The government did make full disclosure during this trial as the result of the electronic surveillance," McNelis said.

However, he admitted that the tapes had been destroyed.

Walsh charged that that constituted "concealing that eavesdropping was done." Under recent federal legislation, he said, tapes must be preserved for 10 years.

He said that "logs" of the tape recordings were "nothing more than editorialized reports."

After oral arguments, the court took the case under advisement. A court attache said a decision might be issued in 30 days.

Prior to hearing the arguments, the court admitted Balistrieri's son, Joseph, who appeared in the courtroom with his father, to practice before the court.

However, Joseph did not participate in the arguments.

MI 94-316

BALISTRIERI's Current Activities

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date 8/5/68

A spot check of Sally's Steak House at the Knickerbocker Hotel, East Juneau Avenue, Milwaukee, was conducted at 2:30 p.m. July 25, 1968. The following vehicles were noted to be parked in the vicinity of the above restaurant:

1968 light blue Cadillac El Dorado, bearing 1968 Wisconsin license B29-907, which is registered to FRANK PETER BALISTRIERI.

1968 dark blue Buick Riviera, bearing 1968 Wisconsin license U45-75, which is registered to JIMMY JENNARO.

1968 dark grey or blue Pontiac, bearing 1968 Wisconsin license S-4538, which is registered in the name of FRANK J. MIRENDA, address 4538 West Kiley, Milwaukee.

1965 white Cadillac, bearing 1968 Wisconsin license C59-301, which is registered in the name of BUZZ WAGNER, 1808 South 72nd Street, Milwaukee.

At approximately 4:08 p.m. FRANK PETER BALISTRIERI was observed leaving Sally's Steak House with FRANK J. MIRENDA. BALISTRIERI was later observed parking his car on East Mason Street near North Water Street where he picked up an unidentified female and proceeded to the vicinity of 1634 North Jackson Street, which is the residence of PETER BALISTRIERI. The vehicle identified above as being registered to JIMMY JENNARO was later observed parked in the vicinity of 1637 North Van Buren Street.

On 7/25/68 at Milwaukee, Wis. File# MI 94-316

SA [redacted]

by SA DANIEL E. BRANDT: mk Date dictated 7/31/68

b6
b7C

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On July 16, 1968 MI T-5 advised that the mother of JOHN MOLLE, LCN member of the Kansas City LCN family, and relative of FRANK PETER BALISTRIERI, died recently. According to MI T-5, FRANK PETER BALISTRIERI and his brother PETER FRANK BALISTRIERI were scheduled to leave for Kansas City to attend the funeral on July 16, 1968.

MI T-5 advised on July 22, 1968 that FRANK BALISTRIERI attended the funeral services of MARY PICCIURRO, a relative of BALISTRIERI's mother, on July 22, 1968 in Milwaukee.

On August 20, 1968 MI T-7 advised he recently [redacted] b7D

MI T-5 advised on August 21, 1968 that Mrs. JENNIE ALIOTO [redacted] FRANK PETER BALISTRIERI) died on August 12, 1968 and her funeral was held on August 16, 1968 from Guardalabene-Amato Funeral Home, North Holton, Milwaukee. Mrs. ALIOTO was the sister of HARRY DE ANGELO, Milwaukee LCN family member. FRANK PETER BALISTRIERI and his brother PETER FRANK BALISTRIERI, as well as other members of the Milwaukee LCN family, attended the wake of Mrs. ALIOTO. b6 b7C

Business Enterprises

MI T-4 advised on July 25, 1968 that information had been received that the Brass Rail, a strip joint on North 3rd Street, Milwaukee, was taken over by the "Outfit," meaning FRANK PETER BALISTRIERI.

On August 21, 1968 MI T-5 advised that JOSEPH P. BALISTRIERI, son of FRANK BALISTRIERI, has negotiated

for the purchase of the building housing the Brass Rail at a price of $72,000 from the Schlitz Brewing Company.

On July 27, 1968 Sergeant [redacted] Special Assignment Squad, Milwaukee Police Department, advised that the Brass Rail has been licensed to [redacted] Milwaukee, since 1962. b6 b7C

On August 5, 1968 Lieutenant [redacted] Special Assignment Squad, Milwaukee Police Department, advised that [redacted] had indicated the Brass Rail building was owned by the Schlitz Brewing Company and that several months ago they had offered this building for sale to [redacted] for $75,000. [redacted] was unable to raise the necessary cash and he indicated the Schlitz Brewing Company then made arrangements to sell the building to JOSEPH P. BALISTRIERI. b6 b7C

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

1

Date 8/8/68

[redacted] Milwaukee, advised he was the licensee of the Brass Rail on North Third Street in Milwaukee, having run this place since 1962. He said the building housing the Brass Rail was owned by the Schlitz Brewing Company. b6 b7C

About four months ago, [redacted] Schlitz Brewing Company, offered to sell the building to him for a price of $75,000.00. He was unable to raise the cash and was told that the building had been sold approximately one month ago to JOSEPH P. BALISTRIERI, the son of FRANK BALISTRIERI. He is figuring on closing the end of August and noted that the equipment belongs to him, and he would attempt to sell this equipment at the time the sale of the building is negotiated. b6 b7C

[redacted] advised he has noticed that FRANK BALISTRIERI came to the Brass Rail on July 28, 1968, apparently to look over the equipment. He further noted that STEVE DE SALVO frequently came to the Brass Rail as a customer. He had no information as to the selling price of the building, but he indicated he could be contacted later to determine if his equipment was bought by BALISTRIERI. b6 b7C

[redacted] said that the tavern license for the Brass Rail would remain with the building, and the licensee would have to be changed before the Brass Rail could reopen. b6 b7C

He said information concerning the sale of this building could be obtained through the Real Estate Department of the Schlitz Brewing Company.

On 8/5/68 at Milwaukee, Wisconsin File # MI 94-316

SA's [redacted] and b6 b7C

by DANIEL E. BRANDT/kdb Date dictated 8/6/68

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FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date 9/6/68

[redacted], Joseph Schlitz Brewing Co., Milwaukee, Wisconsin, advised that an attorney, JOSEPH P. BALISTRIERI, made a formal offer on July 14, 1968 for the purchase of a building owned by the Schlitz Brewing Co. located at 844 North 3rd Street, Milwaukee. This building houses the Brass Rail, a strip joint.

[redacted] advised the offer to purchase was in the amount of $75,000, and the offer was accompanied by a $500 earnest money check. The purchase price does not include the equipment in the Brass Rail, and settlement was to take place on or about September 15, 1968.

b6
b7C

b6
b7C

On 8/26/68 at Milwaukee, Wis. File # MI 94-316

SA [redacted]

by SA DANIEL E. BRANDT: mk Date dictated 8/30/68

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be disfributed outside your agency.

On August 13, 1968 MI T-1 advised that the remodeling of "The Pub" - the 3 story night club owned by FRANK PETER BALISTRIERI at 722 North Water Street, Milwaukee, is continuing under the direction of WALTER BROCCA. Informant indicated BROCCA also utilizes men from the Rescue Mission on a daily basis to aid in the remodeling. Informant noted that the repairmen work peculiar hours, sometimes starting as early as 4 a.m. and quitting at noon. MI T-1 advised the repairs were going at a slow pace because of poor workmanship and inexperience on the part of the workers. STEVE DE SALVO and HERMAN SOSNAY check on the remodeling on a daily basis. They arrive shortly after noon, and SOSNAY usually has the plans for the building in his possession. SOSNAY and DE SALVO have lunch at Angie's located adjacent to the Pub, where they meet with the architects. The workers on the building are non-union and are paid in cash by either WALTER BROCCA or [redacted] b6 b7C

BALISTRIERI frequently visits the Pub and wanted it to be completed by September 1, 1968, but, according to MI T-1, the building will not open until the first of the year.

MI 94-316
BCD/kdb
1

The following investigation was conducted by SA's [redacted] on August 14, 1968: b6 b7C

At Milwaukee, Wisconsin

[redacted] Cardinal Boiler and Welding Company, 6623 West Mitchell Street, furnished the following information: b6 b7C

His company is the steel fabricating contractor for the building known as The Pub, situated at 720-722 North Water Street. His company initially was asked to submit a bid for the structural steel work, and they were awarded the contract on a bid of $27,371. His attorney has determined that the building is owned by JOSEPH BALISTRIERI, son of FRANK BALISTRIERI, and that the liquor permit has been issued to one ANGELO B. DI GIORGIO.

He has known FRANK BALISTRIERI for approximately [redacted] and in discussing matters pertaining to the construction, he has talked to either FRANK BALISTRIERI or ANGELO DI GIORGIO. It is his understanding that HERMAN SOSNAY is connected with the financing, but he has no knowledge of the source of the funds. The general contractor for the building is W. B. Construction Company operated by an individual known to him only as "BLACKIE." The work by W. B. Construction Company is not quality work, and his personal records reflect that a number of years ago, W. B. Construction Company failed to make good on a $35.00 obligation owed to him. b6 b7C

FRANK BALISTRIERI has indicated to him that he wants to open the first floor of the building by the end of September, and that the finished steel work should be completed by August 23, 1968.

On several occasions, he has observed STEVE DE SALVO or HERMAN SOSNAY at the construction site, and he has had luncheon with FRANK BALISTRIERI at Angelo's Restaurant, which is located next door to The Pub.

On July 19, 1968, FRANK BALISTRIERI invited him to attend a luncheon at Alioto's Restaurant, 3041 North Mayfair Road. When he arrived, the following individuals were present:

HERMAN SOSNAY
STEVE DE SALVO
JOE CAMINITI
JIMMY JENNARO
[redacted] b6 b7C
FRANK BALISTRIERI

He was concerned about getting paid for the job he was doing at The Pub, and he approached FRANK BALISTRIERI, stating that he considered W. B. Construction Company to be unreliable. BALISTRIERI told him that he would personally guarantee payment, and that should he need $10,000 or $12,000 at any time to let him (FRANK) know, and the money would be furnished. He has made contacts with several of his Italian friends, and they have all indicated that when FRANK BALISTRIERI gives his personal guarantee, it is good. He is endeavoring to obtain a written statement from BALISTRIERI, but has not has yet obtained it.

On August 6, 1968, he submitted a bid of $9,522. for steel work on the stairway to be constructed at the east end of the building. The bids have not as yet been released on that stairway.

[redacted] further indicated that he initially received his orders to proceed with the construction from HERMAN SOSNAY, and that fact is the basis for his belief that SOSNAY is responsible for financing. He reiterated that it is his assumption that FRANK BALISTRIERI is in reality the owner of The Pub, and that JOSEPH BALISTRIERI's name is used only for the purpose of the record. b6 b7C

[redacted] Dries-Jacques Associates, 6040 West Lisbon Avenue, Milwaukee, Wisconsin, furnished the following information: b6 b7C

His concern developed the structural plans for the building known as The Pub, situated at 720-722 North Water Street. JOSEPH BALISTRIERI is the owner of the building, and he has received his payments from JOSEPH. His dealings have been both with JOSEPH BALISTRIERI and FRANK BALISTRIERI, and the dealings have been strictly business. He is not acquainted with the BALISTRIERIs socially.

The general contractor is W. B. Construction Company owned and operated by WALTER "BLACKIE" BROCCA. [redacted] has been working with BROCCA at the construction site. It is his impression that WALTER BROCCA is extremely unreliable and is doing poor work on the building. b6 b7C

On several occasions, he has observed STEVE DE SALVO and HERMAN SOSNAY at the construction site, but he does not know why they have been there. He could furnish no information regarding the financing arrangements for the construction.

Dries-Jacques Associates is responsible only for the structural work, and that work will total approximately $50,000 cost. He estimates that the total cost of the building will be somewhere between $100,000 and $150,000, but he could not give an accurate estimate inasmuch as nearly any amount of money could be spent on the finish work and furnishings.

He obtained the building permit from the City of Milwaukee and estimated that the cost of the construction would be approximately $23,000. The permit is in his name, and it is customary for the architect-engineer to obtain the building permit and to be reimbursed by the owner. He indicated that each construction firm doing work on the building obtains its own building permit and is, in turn, reimbursed by the owner.

MI 94-316

On August 14, 1968 MI T-2 advised he was of the opinion that FRANK BALISTRIERI, head of Milwaukee LCN family, had complete control over Alfie's Tavern, North Teutonia Avenue, Milwaukee. MI T-2 believed JIMMY JENNARO, who in the past has been a bartender for FRANK BALISTRIERI, is in some way connected with the management of Alfie's and it is possible he is the unlisted manager of this club.

MI T-4 advised on August 27, 1968 that the building at 722 North Water Street is scheduled to have a 3 or 4 story elevator at a cost to be in the vicinity of $25,000.

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date August 23, 1968

-1-

The following observations were made by Special Agents [redacted] on August 20, 1968, during the course of spot checks at the Brass Rail, the Downtowner and the Ad Lib: b6 b7C

STEVE JOHN DE SALVO was observed at 8:45 p.m. sitting at the bar at the Brass Rail. DE SALVO was talking to an unidentified individual who later tended bar there. Shortly after the arrival of the agents, DE SALVO left stating that he was going for a walk; and approximately 20 minutes later, he returned carrying a shopping bag, which he said contained toilet paper.

While at the Brass Rail, [redacted] whose last name was not known to the agents, indicated that the Brass Rail had been sold to a party whose name he did not know. It was [redacted] understanding that the Brass Rail would be moved to an, as yet, undetermined location. [redacted] did not know what type of establishment would occupy those premises after the shifting of the location of the Brass Rail. b6 b7C

JERRY DI MAGGIO was observed tending bar at the Downtowner, and he indicated to the agents that RUDY PORCHETTA, the regular bartender at the Downtowner, was on vacation and would return on or about August 30, 1968. He did not volunteer information regarding PORCHETTA's whereabouts, but he did state that PORCHETTA is presently looking for a new house. DI MAGGIO said that he will be on vacation the first two weeks in September.

JOSEPH ENEA was observed tending bar at the Ad Lib, and JIMMY JENNARO was observed sitting at the extreme west end of the bar.

On 8/20/68 at Milwaukee, Wisconsin File # MI- 94-316

by SA [redacted] /11g Date dictated 8/22/68 b6 b7C

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FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
October 17, 1968

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA DANIEL E. BRANDT at Milwaukee, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 7 1968

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC

223PM URGENT 11-7-68 JH

TO : DIRECTOR (92-3116)

FROM: MILWAUKEE (94-316)

FRANK PETER BALISTRIERI, AKA, AR. OO: MILWAUKEE.

[redacted] IRS, INTELLIGENCE DIVISION, MILWAUKEE, ADVISED BALISTRIERI'S NINETEEN SIXTYSEVEN FEDERAL INCOME TAX EVASION CONVICTION WAS AFFIRMED BY SEVENTH CIRCUIT COURT OF APPEALS, CHICAGO, ILL., ON INSTANT DATE.

b6
b7C

END

MKA

FBI WASH DC

TUP

REC 4 92-3116-558

14 NOV 8 1968

61 NOV 14 1968

6 (Rev. 5-22-64)

FBI

Date: 11/12/68

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (92-3116)

FROM: SAC, CHICAGO (92-414)(-RUC)

SUBJECT: FRANK PETER BALISTRIERI
AR
(CC: Milwaukee)

APPEAL

Enclosed to the Bureau is one copy of the slip opinion of the U. S. Court of Appeals, for the Seventh Circuit in the case "United States of America vs. FRANK PETER BALISTRIERI," No. 16630, rendered 11/7/68. One Xerox copy of opinion is enclosed to each Milwaukee and Springfield.

The enclosure was provided to SA [redacted] on 11/8/68, by [redacted] Deputy Clerk, U. S. Court of Appeals for the Seventh Circuit. b6 b7C

A 3 judge panel of the Court of Appeals affirmed BALISTRIERI's judgment of conviction. The case is an Internal Revenue Service matter, but deals extensively with electronic eavesdropping on the part of the FBI. It is alleged that the Government's evidence was tainted by illegal searches, seizures, and electronic eavesdropping. The Court held that the government's evidence was not obtained by exploitation, but was independently obtained and sufficiently distinguishable to be purged of the primary taint.

The opinion contains no allegations or unfavorable comment as such against the Bureau or Bureau personnel.

ENCLOSURE

3- Bureau (Encl. 1) (RM)
2- Milwaukee (92-316)(Encl. 1) (RM)
1- Springfield (92-) (Encl. 1) (RM)
1- Chicago

REC-40 92-3116-559

WMP:kld
(7)

"ENCLOSURE ATTACHED"

EX-105

NOV 14 1968

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

A footnote on Page 6 of the opinion indicates that the provision of the Omnibus Crime Control and Safe Streets Act of 1968, requiring recordings to be maintained for 10 years, had no application to this case, in which the investigation preceded the Act's passage.

Information copy to Springfield as venue changed from Eastern District of Wisconsin, to the Southern District of Illinois, Southern Division, for trial of BALISTRIERI.

ENCLOSURE 92-3116-559

72-3116-557

In the
United States Court of Appeals
For the Seventh Circuit

SEPTEMBER TERM, 1968 — SEPTEMBER SESSION, 1968

No. 16639
UNITED STATES OF AMERICA,
Plaintiff-Appellee,
v.
FRANK PETER BALISTRIERI,
Defendant-Appellant.

Appeal from the United States District Court for the Southern District of Illinois, Southern Division.

November 7, 1968

Before CASTLE, *Chief Judge,* KNOCH, *Senior Circuit Judge,* and FAIRCHILD, *Circuit Judge.*

CASTLE, *Chief Judge.* Defendant appeals from his conviction on Counts II and III of a three-count indictment charging him with crimes against the revenue. Count I charged defendant and Jennie Alioto with conspiring to defraud the Government by impeding the lawful functions of the Internal Revenue Service in the assessment and collection of income taxes. Counts II and III charged defendant with income tax evasion for the years 1959 and 1960 by filing false and fraudulent tax returns, in violation of 26 U.S.C. §7201.

Defendant and Miss Alioto, as co-defendants, filed motions for relief from prejudicial joinder, to dismiss Count I of the indictment, for a Bill of Particulars on Counts II and III, and to suppress certain evidence, copies thereof, leads derived therefrom, and information

secured thereby resulting from a search and seizure of Miss Alioto's apartment, conducted under an illegal search warrant.[1] After the Government filed a Bill of Particulars, defendant's motion for a further Bill of Particulars was denied. The trial was then transferred from the Eastern District of Wisconsin to the Southern District of Illinois, Southern Division, for trial as to Balistrieri only. An amended Bill of Particulars was filed shortly after the trial began, reducing the alleged beginning and end net worth figures, and thus the increases in the net worth of defendant and his wife during the relevant period by over 50%.

The Government's case was presented on the "net worth theory" whereby income for the relevant period is proved by showing that the defendant's net worth increased during the period. Thus, rather than having to prove the exact source or sources of the income, the defendant may be convicted of income tax evasion upon a showing that his net worth was unaccountably higher at the end than at the beginning of the tax period, and that the increase was not due to non-taxable sources, such as gifts, loans, or inheritance. In the instant case, the Government sought to bolster its net worth evidence with evidence of the likely sources of income.

Shortly before trial, defendant moved to suppress evidence obtained by electronic eavesdropping of defendant's office, after defendant had discovered a hidden microphone installed behind his office paneling. On the date when the trial was scheduled to begin, the Government attorneys disclosed to the trial judge that the Government had three categories of F.B.I. reports obtained by admittedly illegal electronic eavesdropping. These reports concerned conversations overheard from devices placed in Miss Alioto's apartment from October 3, 1961 through June 8, 1962, in defendant's office from March 9, 1964 through

[1] The search warrant obtained by the Internal Revenue Service was quashed in an action brought by Miss Alioto and the owners of the materials seized in the search. *Alioto, et al.* v. *United States,* 216 F.Supp. 48 (E.D.Wisc. 1963). It also appears that the F.B.I., subsequent to the above search, unlawfully searched Miss Alioto's apartment and photographed certain documents belonging to defendant which were kept therein.

June 3, 1965, and in the office of Dominic Frinzi, one of defendant's attorneys, from April 22, 1963 through October 2, 1963.

A substantial amount of testimony on this matter was heard by the court outside the presence of the jury. Defendant moved to dismiss the indictment on the ground that it was obtained through use of the information acquired by means of the illegal electronic eavesdropping, and this motion was denied. The court also denied motions for acquittal and motions that the eavesdropping information was inflammatory and deprived defendant of a fair grand jury. The court did, however, compel election by the Government to proceed on Counts II and III, and not on Count I, apparently in recognition of tainted evidence used in the first count.

Upon a verdict of guilty on Counts II and III, defendant was sentenced to two years imprisonment and fined $5000 on each count, the prison terms to run concurrently.

On appeal, defendant attacks the adequacy of the Government's evidence in meeting its burden of proving that the trial evidence was free from taint, the sufficiency of the evidence used to prove the "net worth theory" of tax evasion, the trial court's denial of defendant's motion for mistrial based upon the prosecutor's improper cross-examination of a witness, the trial court's refusal to answer the request of the jury for clarification of instructions, alleged improper arguments to the jury by the prosecutor, and an alleged breach of the attorney-client and accountant-client privilege.

I

The main contested issue concerns the Government's proof that its evidence was free from taint of the illegal searches and seizures and electronic eavesdropping.

During 1961, in the initial stages of the Internal Revenue Service investigation of defendant, the I.R.S. had, through the Postal Inspector in Milwaukee, requested

that "mail covers"[2] be conducted on defendant's address and on various corporations which the I.R.S. believed were connected with defendant. Among these were the Downtowner (a tavern) and Gallagher's Steak House (a restaurant). On July 7, 1961, the I.R.S. received a mail cover report which disclosed that a first class letter addressed to Midwest Scrap Metal Company at the address of the Downtowner was delivered. The return address—Post Office Box 1205—was later determined to be the First Wisconsin National Bank of Milwaukee. On August 7, 1961, another mail cover report showed that a letter from Altex Corporation, a scrap metal dealer, was sent to Gallagher's Steak House. Lead cards were made and filed for each of these leads.

Contrary to the findings made by the district court at the close of the testimony regarding the alleged tainted evidence, defendant contends that the evidence relating to Midwest Scrap Metal Company, upon which the Government relied as establishing a source of unreported income, was discovered only as the result of information extracted from the records illegally seized in Miss Alioto's apartment and as the result of the subsequent search by the F.B.I., and not by the independent leads obtained by the exploitation of the information extracted from the mail covers and lead cards by the I.R.S. On all issues regarding the alleged tainted evidence, the Government conceded that it had the burden of proving that its evidence was free from taint.[3]

With respect to the Midwest Scrap Metal Company evidence, the Government sought to meet this burden by demonstrating that the lead was discovered independently of and prior to the searches, as the result of the mail covers conducted in the summer of 1961. In following up the mail cover leads, the Government contends that

[2] A "mail cover" is conducted by furnishing the Government with the information appearing on the face of the envelope addressed to the particular address: *i.e.*, addressee, postmark, name and address of sender (if it appears), and class of mail. The actual mail is delivered to the addressee and only the letter-carrier's notation reaches the Government agency which requests the mail cover.

[3] See *United States* v. *Wade*, 388 U.S. 218, 240 (1967); *Murphy* v. *Waterfront Commission*, 378 U.S. 52, 79 (1964); *United States* v. *Coplon*, 185 F.2d 629, 636 (2d Cir. 1950), cert. den. 342 U.S. 920.

it was led to the Altex Corporation. From the records of Altex followed other leads and evidence regarding Midwest and its connection with defendant. We find that the district court did not err in holding that the Midwest leads were obtained independently of the searches. The two lead cards disclosed that the address of Midwest, a dealer in scrap metal, was the same as the address of a business in which defendant was known to have an interest (the Downtowner), and that Altex, a seller of scrap metal, sent a letter to another business in which defendant had an interest (Gallagher's). It is reasonable to conclude that these two leads were logically tied together by the revenue agents, before the searches took place, to link Altex with Midwest and thus provide an important step in the investigation. Therefore, although the evidence obtained in the illegal searches would have led to the same link between Altex and Midwest which in turn led to the other evidence, some of which was admitted into evidence at trial, the initial lead was obtained independently of and prior to the search.

In *Silverthorne Lumber Co.* v. *United States,* 251 U.S. 385, 392 (1920), Mr. Justice Holmes, speaking for the Court, stated the policy behind the Fourth Amendment:

> "The essence of a provision forbidding the acquisition of evidence in a certain way is that not merely evidence so acquired shall not be used before the court but that it shall not be used at all. Of course this does not mean that the facts thus obtained become sacred and inaccessible. If knowledge of them is gained from an independent source they may be proved like any others, but the knowledge gained by the Government's own wrong cannot be used by it. . . ." 251 U.S. at 372.

In *Wong Sun* v. *United States,* 371 U.S. 471, 487-488 (1963), the Supreme Court cogently held:

> "We need not hold that all evidence is 'fruit of the poisonous tree' simply because it would not have come to light but for the illegal actions of the police. Rather, the more apt question in such a case is 'whether, granting establishment of the primary

> illegality, the evidence to which instant objection is made has been come at by exploitation of that illegality or instead by means sufficiently distinguishable to be purged of the primary taint.' Maguire, Evidence of Guilt, 221 (1959)."

We hold that the evidence relating to Midwest was not "come at by exploitation" of the information obtained in the illegal searches and seizures, but "by means sufficiently distinguishable to be purged of the primary taint."

We reach the same conclusion regarding the evidence allegedly obtained by the illegal electronic eavesdropping. The Government met its burden in proving that its evidence was free from this taint by disclosing to the court and the defendant all information in the Government's possession, including summaries of the tapes which had been erased in the ordinary course of re-use,[4] undestroyed tapes, and by making available the agents who participated in the eavesdropping. The district court ordered suppressed all the information obtained as the result of the electronic surveillances and the searches and seizures and all leads developed therefrom. Defendant contends, however, that the Government failed to meet its burden since it had destroyed the best evidence of what had been heard through erasure of the recordings on some of the tapes by their re-use. However, the Government tendered proof to the district court showing independent sources for the leads to each of the items of evidence introduced at trial. The trial judge displayed a high degree of prudence and deliberation in hearing extensive testimony from each side before concluding that the evidence offered by the Government was free from taint. We agree with his conclusion.

Mr. Justice Frankfurter, speaking for the Supreme Court in *Nardone* v. *United States,* 308 U.S. 338 (1939), stated the guidelines to be used by federal courts in determining issues of tainted evidence. After stating the quotation from *Silverthorne,* cited above by us, he said:

[4] The recent Omnibus Crime Control and Safe Streets Act of 1968, 18 U.S.C. §2518, which requires all recordings made pursuant to it to be kept for ten years, has no application to the instant case in which the investigation took place prior to its passage.

> "In practice this generalized statement may conceal concrete complexities. Sophisticated argument may prove a causal connection between information obtained through illicit wire-tapping and the Government's proof. As a matter of good sense, however, such connection may have become so attenuated as to dissipate the taint." 308 U.S. at 341.

Therefore, although some causal connection could, by sophisticated argument, be shown between the electronic eavesdropping and the Government's proof, we find that "such connection has become so attenuated" in the instant case as to dissipate the taint. The trial judge gave defendant the opportunity to show that a substantial portion of the case against him was the fruit of the poisonous tree, and we conclude that the decision of the district court that the Government met its burden of proving its evidence free from taint is supported by substantial evidence and not erroneous.

Judge Learned Hand's comment in *United States* v. *Nardone,* 127 F.2d 521, 523 (1942) cert. den. 316 U.S. 698, is particularly appropriate to the issues discussed above:

> The question therefore comes down to this: whether a prosecution must show, not only that it has not used any information illicitly obtained, either as evidence, or as the means of procuring evidence; but that the information has not itself spurred the authorities to press an investigation which they might otherwise have dropped. We do not believe that the Supreme Court meant to involve the prosecution of crime in such a tenebrous and uncertain inquiry, or to make such a fetich of the statute [47 U.S.C. §605] as so extreme an application of it would demand. On the last appeal the court made it abundantly clear that it did not contemplate a chase after will-O'-wisps. 'Tenuous claims' are not 'sufficient to justify the trial court's indulgence of inquiry into the legitimacy of evidence.' The 'claims * * * must satisfy the trial court with their solidity.' We are not 'to subordinate the need for rigorous administration of justice to undue solicitude for potential and, it is to

> be hoped, abnormal disobedience of the law.' [308 U.S. 338, 60 S. Ct. 269, 84 L. Ed. 307.] Such expressions indicate no disposition towards the refinements inevitable in deciding how far the illicit information may have encouraged and sustained the pursuit. We hold that, having proved to the satisfaction of the trial judge that the [electronic surveillance and searches and seizures] did not, directly or indirectly, lead to the discovery of any of the evidence used upon the trial, . . ., the prosecution had purged itself of its unlawful conduct.

Defendant's contention that the eavesdropping evidence used to obtain Count I of the indictment was prejudicial as to him affords no basis for reversal since he was never prosecuted on the first count. An illegal search and seizure "does not serve to immunize" the defendant from prosecution. *United States* v. *Ruffin,* 389 F.2d 76, 79 (7th Cir. 1968); *United States* v. *Hoffman,* 385 F.2d 501, 503-504 (7th Cir. 1967).

Defendant further contends that the eavesdropping conducted on the law office of Mr. Frinzi constituted an intentional interference by the Government with defendant's Sixth Amendment right to counsel. As with the other electronic eavesdropping, the Government proved its evidence was free from any taint as the result of this illegal surveillance. Defendant's Sixth Amendment claim is no more than speculation. We find nothing in the record supporting the allegation that the purpose of conducting the surveillance was to interfere with defendant's right to counsel, nor does it appear that such right was infringed as the result of the Government's conduct.

Defendant also contends that the overhearing of his telephone conversation with Mr. Walsh, who represented the defendant both below and on appeal, was a purposeful denial of his right to counsel. Again, there appears in the record no indication that the Government obtained any evidence from the overhearing of this call, or that it interfered with defendant's right to counsel.

Defendant relies heavily on *O'Brien* v. *United States,* 386 U.S. 345 (1967), in his Sixth Amendment claims.

That case is quite distinguishable, however, in that, unlike the instant case, the eavesdropping was not disclosed until after the defendant's conviction. It was this fact which required reversal, since the *undisclosed* intrusion on the attorney-client relationship deprived defendant of his right to an adversary proceeding.

Defendant argues that, even though we hold that the above violations were sufficiently divorced from the evidence presented at trial to free them of taint, we should reverse in the exercise of our supervisory power "because the indictment was procured by use of inflammatory and grossly illegal evidence." The argument is based on the allegation that so many violations occurred in the investigation that the only remedy is reversal. Such is not the law.

The decisions of the Supreme Court have consistently held that the remedy for illegally obtained evidence is suppression of such evidence and all leads derived therefrom.[5] This remedy was fully accorded to defendant by the district court, and we find no authority for the proposition that the defendant is further entitled to reversal, after the illegally obtained evidence was suppressed and the jury returned a verdict of conviction upon the other evidence which had been properly admitted.

II

The next general contention by defendant is that the evidence used to prove the net worth theory of tax evasion was legally insufficient, and therefore that his motions for acquittal at the close of the Government's case and at the close of all the evidence should have been granted. Defendant cites *Holland* v. *United States,* 348 U.S. 121 (1954), as the leading case on the "net worth method." That case held that this method of proving income tax deficiency "is so fraught with danger for the innocent, that the courts must closely scrutinize its use." 348 U.S. at 125. The Court went on to say:

---

[5] *E.g., Hoffa* v. *United States,* 387 U.S. 231 (1967); *United States* v. *Wade,* 388 U.S. 218 (1967); *Gilbert* v. *California,* 388 U.S. 263 (1967); *Hoffa* v. *United States,* 385 U.S. 293 (1966); *Silverthorne Lumber Company* v. *United States,* 251 U.S. 385 (1920).

> "While we cannot say that these pitfalls inherent in the net worth method foreclose its use, they do require the exercise of great care and restraint. The complexity of the problem is such that it cannot be met merely by the application of general rules. *Cf. Universal Camera Corp.* v. *Labor Board,* 340 U.S. 474, 489. Trial courts should approach these cases in the full realization that the taxpayer may be ensnared in a system which, though difficult for the prosecution to utilize, is equally hard for the defendant to refute. Charges should be especially clear, including, in addition to the formal instructions, a summary of the nature of the net worth method, the assumptions on which it rests, and the inferences available both for and against the accused. Appellate courts should review the cases, bearing constantly in mind the difficulties that arise when circumstantial evidence as to guilt is the chief weapon of a method that is itself only an approximation." 348 U.S. at 129. *Cf. United States* v. *Tolbert,* 367 F.2d 778 (7th Cir. 1966).

With these words of the Supreme Court fully in mind, we nevertheless find no error below which would justify reversal. In dealing with this general contention, we find that careful scrutiny leads us to the conclusion that the Government established a *prima facie* case against defendant, and that defendant's five-pronged attack on the Government's case is without merit.

(1) Defendant first contends that the Government failed to show a solid net worth starting point. However, the starting point in defendant's net worth, as used by the Government and placed before the jury for its decision, was based upon a net worth statement which was signed by defendant and his wife and submitted to the Wisconsin Department of Taxation in 1954. This statement included cash on hand as of December 31, 1953, in the amount of $1000. The propriety of including this figure in the net worth starting point was upheld by this Court in *United States* v. *Mackey,* 345 F.2d 499, 506 (7th Cir. 1965), cert. den. 382 U.S. 824, where the Government's case did not have the advantage of a signed statement concerning the defendant's cash on hand.

Added to the amount claimed by the statement were certain visible assets belonging to defendant which had been disclosed by the Government's investigation, and which were not included in the statement.[6] After arriving at a net worth of $73,780.62 as of December 31, 1953, the Government traced defendant's net worth at the end of each year, through the prosecution years of 1959 and 1960, proving that defendant's reported income could not account for any increases in cash on hand significantly larger than the $1000 for which he was given credit. Certain accrued liabilities were properly eliminated in the Government's computations since defendant reported income on the cash basis. Thus, as the Government points out in its brief (at p. 33), "the gap between the starting point and the beginning of the first prosecution year, 1959, was bridged by carefully reconstructing appellant's net worth as of the end of each intervening year, adding non-deductible expenditures, and demonstrating that no additional cash on hand could have been accumulated from income reported in the intervening years."

(2) Defendant further argues that the Government failed to account for borrowings in arriving at its net worth figures. After carefully scrutinizing the record, however, we find that the loans were taken into account as liabilities and that defendant was given proper credit for them.

(3) Defendant also attacks the propriety of including in his net worth as of December 31, 1959, $10,000 of cash on hand which had been deposited in the Marshall and Ilsley Bank in the name of Joseph Balistrieri or Frank Balistrieri, the defendant, on January 25, 1960. Joseph is defendant's son, who was a 19 year old minor and was claimed as a dependent by defendant, at the time the joint account was opened. The jury had ample grounds to believe that this money was in fact the defendant's, since the Government proved that defendant controlled the account and withdrew a substantial amount

[6] The largest item in this category included the stock of Tower Tavern, Inc., amounting to $31,062.67, which defendant claimed was bought in large part through a loan from his mother.

from it on March 23, 1961. We therefore find that the evidence was sufficient to support such a conclusion.

(4) As a final attack on the denial of the motion for acquittal at the close of the Government's evidence, defendant contends that the prosecution failed to prove that the increases in net worth arose from taxable sources. However, the Government fulfilled its burden under the net worth method by: (a) giving defendant credit for all loans and for the proceeds of a life insurance policy received in 1958; (b) proving that the increases did not arise from gifts or inheritance; and proving three "likely" sources of taxable income—Hotel Roosevelt, Inc., Ben-Kay, Inc.,[7] and Midwest Scrap Metal Company. In *Holland* v. *United States,* 348 U.S. 121, 138 (1954), the Court held that "[i]ncreases in net worth, standing alone, cannot be assumed to be attributable to current taxable income. But proof of a likely source, from which the jury could reasonably find that the net worth increases sprang, is sufficient." *Cf. United States* v. *Mackey,* 345 F.2d 499, 507 (7th Cir. 1965). The record, therefore, clearly indicates that the evidence presented to the jury was sufficient to support its verdict.

(5) Defendant contends that the evidence produced by the defense conclusively rebutted the Government's case and required the granting of the motion for acquittal at the close of all the evidence. However, defendant's evidence consisted of testimony which the jury was justified in disbelieving as the result of their view of the demeanor of the witnesses and the cross-examination. Surely we can neither place ourselves in the unique position of the jury nor can we hold that they were compelled to believe the testimony of the defense witnesses they viewed, especially when much of the testimony conflicted with the evidence properly introduced by the Government.

For the foregoing reasons, we hold that both motions for acquittal were properly denied.

---

[7] There was evidence that defendant operated and served as president of these two companies.

III

Defendant contends that the trial court's denial of his motion for mistrial based upon the prosecutor's improper cross-examination of defense witness Klein constitutes reversible error. The Government agrees that the two questions complained of constituted improper cross-examination, but contends that it was not prejudicial. Our review of the facts present in the instant case leads us to the same conclusion, that the error here was not prejudicial and does not call for reversal. First, the objections made by defense counsel were sustained and the jury was explicitly instructed to disregard the questions.

Moreover, the fact that witness Klein's testimony concerned only one of the indictment years and involved only a relatively small amount further demonstrates the lack of prejudicial effect of the improper cross-examination. It does not follow, as contended by the defendant, that improper impeachment of the first defense witness destroys the testimony of later witnesses called by the defense. To so hold, in view of the trial court's sustaining defendant's objections and the immediate instruction to disregard the improper questions, would involve an unwarranted assumption denying to the jury any degree of intelligence or discretion. Consequently, we do not view the denial of the motions for mistrial as erroneous.

IV

Defendant contends that the trial court committed error in overruling his objection and denying his motion for mistrial, based on the prosecutor's statement, in his summation to the jury, that there were possible sources of income other than Midwest Scrap Metal Company, and his naming a number of such possible sources with which defendant was connected. Defendant seems to ignore the fact that this statement by the prosecutor was made in reply to defense counsel's statement in his summation that Midwest was the only proven source and that that source was not nearly large enough to account for the unreported income shown by the Government's proof. Moreover, in a net worth case the Govern-

ment need not prove a specific source of income to account for the increases in net worth, but need only show some "likely" source. *Holland* v. *United States,* 348 U.S. 121, 138 (1954); *Armstrong* v. *United States,* 327 F.2d 189, 194 (9th Cir. 1964); *United States* v. *Mackey,* 345 F.2d 499, 506-507 (7th Cir. 1965). Defendant's connection with the companies mentioned having been shown, the prosecution was allowed to argue the possibility of these companies as a possible source of income.

V

Defendant further contends that the trial court committed error when it sent the jury back for further deliberations after the jury expressed some confusion regarding the instructions. We hold that no error was committed. When the jurors failed to make clear their problem, the trial judge advised them that if they had a problem they could submit it to the court in writing. Neither counsel objected, and defense counsel initiated the suggestion regarding the written inquiry. The jury then retired and later returned a verdict of guilty. To hold that these events compel reversal in this case would be entertaining the vaguest of speculations as to what was in the minds of the jurors. Rather than engage in such speculation himself, the judge refused to put words into the jurors' mouths and instead, upon suggestion of defense counsel, asked them to submit any problems they had in writing. Such conduct was correct and does not constitute error.

VI

Defendant's last contention posits a violation of the attorney-client and accountant-client privilege in the trial court's allowing defendant's accountant to testify for the Government over defendant's objection. This contention is without merit for three reasons: (a) the accountant was not an attorney at law and thus no attorney-client privilege is involved; (b) the Illinois statute creating an accountant-client privilege—Chap. 110½, §51, Ill. Rev. Stat.—may be invoked only by the accountant, not the client. *Dorfman* v. *Rombs,* 218 F.Supp. 905, 907 (N.D.Ill. 1963); and (c) in a federal criminal tax prosecution,

federal law applies, *Colton* v. *United States,* 306 F.2d 633, 636 (2d Cir. 1962), cert. den. 347 U.S. 960, and there is no accountant-client privilege in the federal system. *Petition of Borden Co.,* 75 F.Supp. 857, 859-860 (N.D. Ill. 1948); *United States* v. *Culver,* 224 F.Supp. 419, 434 (D.Md. 1963) and cases cited. *Palmer* v. *Fisher,* 228 F.2d 603 (7th Cir. 1955), cited by defendant, was a diversity case in which the Government was not a party, and is therefore inapplicable.

For the foregoing reasons, the judgment of conviction is affirmed.

AFFIRMED.

A true Copy:

Teste:

.....

Clerk of the United States Court of Appeals for the Seventh Circuit.

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OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. DeLoach

DATE: 12/3/68

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Reference is made to the Director's inquiry as to what action was taken concerning former SA John Holtzman regarding his testimony October 19, 1966, in the income tax trial of Milwaukee hoodlum Balistrieri when Holtzman declined to testify whether he had invaded the premises of Balistrieri to install a microphone and stated he would take the 5th Amendment if the question was pressed.

It is noted that Holtzman did not actually invoke the 5th Amendment, but only indicated he would if defense counsel pressed the question on him. After a conference, Balistrieri's counsel withdrew the question. There is no indication in our file that Holtzman was coached in any way by the Department in making the above response.

By way of background, there were three microphones involved in this situation including the one on Balistrieri [redacted] b6 b7C and Dominic Frinzi, a hoodlum oriented Milwaukee attorney. All these microphones were installed on Bureau authority under the general authorization of the Attorney General. Copies of pertinent memoranda of authorization for these microphones are attached.

Holtzman was the Agent who had the Balistrieri case assigned in the Milwaukee Office at the time we had microphone coverage on the subject. He and the other Agents who made these installations were involved in trespass in gaining entry to the premises of Balistrieri.

Holtzman retired from the Bureau effective 8/11/65, and at the time of his testimony in the Balistrieri case on 10/19/66, he was a Court Magistrate of Peoria County, Illinois. In view of above circumstances, no action was taken against Holtzman.

ACTION:

REC 11 92-3116-560

This is for information and we will continue to be alert to any further developments in this matter.

18 DEC 4 1968

Enc.
1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. Staffeld
1 - Mr. Leggett
JGL:mfd (5)

RETAINED IN PERSONNEL RECORDS UNIT
LHURC XEROX DEC 10 1968
ENCLOSURE
PERS. REC. UNIT

December 2, 1968

MR. DE LOACH:

RE: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

[redacted] attorney in the Tax Division of the Department, telephonically contacted McAndrews of my office during the early evening of November 29, 1968. [redacted] offered the following information in strictest confidence. b6 b7C

[redacted] stated he had been contacted during the week of November 25, 1968, by Assistant Attorney General Vinson, Criminal Division, and Assistant Attorney General Rogovin, Tax Division, with a request that [redacted] provide them with full particulars concerning the testimony of former Special Agent John Holtzman during the 1967 microphone disclosure hearing which preceded the tax trial of Milwaukee hoodlum Balistrieri. This trial resulted in the conviction of Balistrieri and the subsequent affirmation of that conviction by the 7th Circuit Court of Appeals, Chicago, on November 7, 1968. It will be recalled that during the microphone disclosure hearing, Holtzman was questioned by defense counsel as to whether the FBI invaded the premises of Balistrieri and others in effecting microphone coverage of Balistrieri and his associates. Holtzman did not answer the question and indicated that if pressed to answer same he would take the 5th Amendment. Defense counsel did not further press this point. b6 b7C

Department attorney [redacted] stated that he did not know the reason for Vinson's and Rogovin's interest in this matter at this late date other than that he was told that the Attorney General, Rogovin and Vinson desired particulars on this point. [redacted] stated that in his opinion the interest shown by the Attorney General, Rogovin and Vinson in this matter at this late date was "inordinate." He speculated that these three individuals might be planning to utilize Holtzman's testimony in some unspecified way through which the Bureau would be embarrassed. b6 b7C

92-3116-561

REC 11

[redacted] was of the opinion that the tax conviction of Balistrieri was sound but noted that undoubtedly it would be taken on appeal from the decision of the Circuit Court of Appeals to the Supreme Court. [redacted] will keep this Division informed on a confidential basis of any additional information coming to his attention on this matter. b6 b7C

16 DEC 4 1968

1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews

J. H. Gale

What if any action did we take re Holtzman?

PERS. REC. UNIT

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	1/23/69	10/17/68-1/22/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
FRANK PETER BALISTRIERI, aka	SA DANIEL E. BRANDT	mk
	CHARACTER OF CASE: AR	

REFERENCES

Report of SA DANIEL E. BRANDT, Milwaukee, 10/17/68.
Milwaukee teletype to Bureau 11/7/68.
Chicago airtel to Bureau 11/12/68.
Chicago teletypes to Bureau 1/15,16/69.

-P-

LEADS

MILWAUKEE OFFICE - AT MILWAUKEE, WIS.

1. Maintain contact with USA's office re status of BALISTRIERI's tax case which is before U. S. Supreme Court.

2. Maintain contact with sources re BALISTRIERI's current activities.

ACCOMPLISHMENTS CLAIMED None						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
						None	PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED _____ SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

(3) Bureau (92-3116) RM
1-USA, Milwaukee
2-Milwaukee (94-316)

92-3116-562

17 JAN 27 1969

REC-6
ST-101

Dissemination Record of Attached Report	
Agency	CC. AAG, Criminal Division,
Request Recd.	Organized Crime and Racketeering
Date Fwd.	Section, Room 3524.
How Fwd.	
By	

Notations: STAT SEC'T.

59 FEB 13 1969

2-4-69.

* U.S. GOVERNMENT PRINTING OFFICE : 1967 O—273-877

MI 94-316

INFORMANTS

MI T-1 is [redacted] contacted 1/3/69 by SA DANIEL E. BRANDT.

MI T-2 is [redacted] contacted 12/13/68 by SA BRANDT.

MI T-4 is [redacted] contacted 10/24/68 by SA BRANDT.

MI T-5 is [redacted] contacted 12/5/68 and 12/17/68 by SA BRANDT, and 12/31/68 by SAs BRANDT and [redacted]

b6
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ADMINISTRATIVE

On 10/28/68 [redacted] advised he heard that [redacted] Sally's Steak House, had a fight recently with FRANK FAZIO, Milwaukee restaurant owner, over statements FAZIO made concerning SALLY PAPIA, operator of Sally's Steak House. FAZIO's jaw was broken during the fight and FRANK BALISTRIERI was asked to mediate the dispute between [redacted] and FAZIO.

b6
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b7D

On 11/5/68 [redacted] advised that HARRY DE ANGELO, Milwaukee LCN family member [redacted] According to informant, [redacted] according to informant [redacted] to PETER BALISTRIERI [redacted] FRANK BALISTRIERI was out of town and would have to make the final decision. Informant subsequently determined [redacted]

b6
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b7D

MI 94-316

[redacted] b6 b7C b7D

[redacted] advised that SAM DI MAGGIO, Milwaukee LCN family member [redacted]

[redacted] b6 b7C b7D

[redacted] When FRANK BALISTRIERI became aware [redacted]

On 10/25/68 [redacted] advised that FRANK BALISTRIERI had a lengthy meeting during the early morning hours of 10/25/68 with many of his night club employees.

[redacted] b6 b7C b7D

During this meeting it was evident BALISTRIERI was extremely upset and he said extreme pressure was being exerted on him by both local and Federal authorities and that the heat in downtown Milwaukee is as great now as it has ever been at any time in the past. BALISTRIERI felt [redacted] coupled with the fact that the appeal for his income tax evasion conviction, was being studied by the courts, and it has hurt his image and will have a bad effect on his night club business. BALISTRIERI demanded that all of his employees take special care to be involved in nothing which would cause him further embarrassment.

[redacted] advised on 10/31/68 [redacted] had incurred the wrath of FRANK BALISTRIERI [redacted] BALISTRIERI [redacted] b6 b7C b7D

[redacted] This informant noted informant learned [redacted]

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b7C
b7D

On 12/4/68 [redacted] advised that [redacted] Informant said FRANK BALISTRIERI then contacted [redacted] of FELIX "MILWAUKEE PHIL" ALDERISIO, known top Chicago LCN member. [redacted]

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b7D

According to informant, [redacted]

On 10/18/68 [redacted] advised that Gallagher's on N. 3rd Street, is presently being run by JOSEPH BALISTRIERI, son of PETER BALISTRIERI. Informant believed JOSEPH

b7D

MI 94-316

BALISTRIERI and FRANK BALISTRIERI are still not seeing eye to eye re the operation of the night club. According

[redacted] due to FRANK BALISTRIERI's poor business policies. According to informant, the [redacted] BALISTRIERI is not happy with this turn of events. Informant said BALISTRIERI [redacted] BALISTRIERI himself is trying to make all the major decisions and has made many mistakes which have caused the decline in business. b6 b7C b7D

On 10/24/68 [redacted] advised he had received information [redacted] who told him FBI Agents had just left [redacted] contact FRANK BALISTRIERI to advise him of the FBI's inquiry [redacted] b6 b7C b7D

[redacted] advised on 10/24/68 that [redacted] b7D

[redacted] Informant was positive [redacted] FRANK BALISTRIERI.

MI 94-316

On 11/19/68 [redacted] advised he was recently in contact [redacted] b7D

On 11/25/68 [redacted] advised that FRANK BALISTRIERI b7D was spreading the word that he got a bad deal from the Circuit Court of Appeals in Chicago who turned down his appeal for his 1967 income tax conviction. Informant advised BALISTRIERI was desperate in trying to figure out any way possible to prevent his being forced to serve a jail sentence. BALISTRIERI had even talked about the possibility of "getting to" some of the Appeal Court judges; however, informant said BALISTRIERI did not know anyone who had any connections with these judges.

On 12/5/68 [redacted] advised he had received information [redacted] b7D [redacted] It was believed BALISTRIERI would hold [redacted]

This same informant advised on 12/5/68 that he had received information that a tight surveillance was being conducted by Milwaukee police authorities on all of FRANK BALISTRIERI's downtown night clubs and this has caused BALISTRIERI to become upset and he has lodged harrassment charges against the Milwaukee Police Department.

On 12/13/68 [redacted] advised that [redacted] b7D [redacted]

[redacted] b7D

On 1/2/69 [redacted] advised that FRANK BALISTRIERI [redacted] b7D

[redacted] Informant understood that FRANK BALISTRIERI [redacted] Informant did not believe BALISTRIERI had any [redacted]

On 12/17/68 [redacted] advised that [redacted] b6 b7C b7D

Informant did not know if FRANK BALISTRIERI had influenced [redacted]

On 12/31/68 [redacted] b7D

[redacted] b7D

[redacted] on 12/31/68 advised that FRANK BALISTRIERI has invested over $250,000 during the past year in his night club operations and felt that FELIX ALDERISIO, noted Chicago LCN family member, had some sort of financial partnership with BALISTRIERI. This informant said it has been rumored that FRANK BALISTRIERI is paying upwards of $30,000 to keep his recent income tax evasion conviction case open and that he was trying to keep from going to jail as long as possible. Informant strongly suspected that FELIX ALDERISIO was the source of these funds. b7D

On 1/2/69 [redacted] advised that FRANK BALISTRIERI recently

[redacted]

[redacted] Informant said BALISTRIERI [redacted] b7D

[redacted]

On 1/3/69 [redacted] advised the Vice Squad of the Milwaukee PD was putting pressure on BALISTRIERI's downtown night clubs and BALISTRIERI and his followers have been trying to accuse the Vice Squad officers of breaking their automobile windows with high-powered pellets guns. b7D

MI 94-316

The Chicago Division advised on 1/16/69 that information had been received from [redacted] that FRANK BALISTRIERI, Milwaukee LCN boss, had been in contact with FELIX ALDERISIO in Chicago on 1/15/69. b7D

-I*-
COVER PAGE

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Milwaukee

Report of: SA DANIEL E. BRANDT
Date: 1/23/69

Office: Milwaukee

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: The appeal of FRANK BALISTRIERI's 1967 income tax conviction was rejected by 7th Circuit Court of Appeals on 11/7/68. The court refused to grant a petition for rehearing on 12/31/68. BALISTRIERI's attorneys were granted a delay to 1/30/69 before filing a petition for certiorari.

b7D

-P-

Details: At Milwaukee, Wisconsin

STATUS OF BALISTRIERI's INCOME TAX CONVICTION

The November 7, 1968 edition of the Milwaukee Journal contained the following article:

Deleted Copy Sent Frank Balistrieri
by Letter 8/19/76, Ltr
Per FOIA Request

562

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1967—O—273-878

Conviction Affirmed in Balistrieri Case

The conviction of Frank P. Balistrieri for income tax evasion was affirmed Thursday by the United States 7th circuit court of appeals in Chicago.

The decision, written by Chief Judge Latham Castle, held that evidence obtained through electronic surveillance was admissible.

Balistrieri, 50, of 3043 N. Shepard av., a downtown tavern keeper, was convicted of income tax evasion by a jury before Federal Judge Omer Poos at Springfield, Ill., in September, 1967. Poos sentenced him to two concurrent terms of two years each and fined him $10,000. Balistrieri was charged with two counts of tax evasion.

Evidence "Not Tainted"

Balistrieri's attorneys had argued that the evidence obtained after electronic surveillance of the defendant, of Dominic Frinzi, one of Balistrieri's lawyers, and his bookkeeper, Miss Jennie Alioto, was inadmissible.

The appeals court disagreed. Such evidence was not tainted, as the defense claimed, because the government agents who did the eavesdropping did not exploit any information they obtained. The evidence was obtained through other, sufficiently distinguishable" methods, the court ruled" to be purged of the primary taint."

Possible Action

The government proved that its case was free from use of tainted evidence, the appeals court ruled, because it disclosed to the defense summaries of tape recordings which had been erased and tapes which were not erased and made available the agents who did the eavesdropping.

Balistrieri has several possible moves now. He could petition the same three member panel for a rehearing; he could petition the entire seven judge appeals court for a rehearing, or he could appeal to the United States supreme court.

The decision was unanimous. Judges Thomas Fairchild and Win G. Knoch heard the case with Castle.

Balistrieri could not be reached for comment.

MI 94-3B

The November 22, 1968 edition of the Milwaukee Sentinel contained the following article:

(Mount Clipping in Space Below)

Tax Case Rehearing Sought by Balistrieri

Frank P. Balistrieri, Milwaukee nightclub owner, has petitioned the United States 7th circuit appeals court for a rehearing on his income tax evasion conviction.

The court upheld Balistrieri's conviction and sentence in an opinion Nov. 7.

Balistrieri, 50, of 3043 N. Shepard av., was found guity of evading $20,580 in taxes in 1959 and 1960 by a federal court jury in Springfield, Ill., on Mar. 23, 1967.

Sentenced to two years in prison and fined $10,000 on Sept. 18, 1967, Balistrieri has been free on $15,000 appeal bond.

The petition for rehearing, received Thursday in the United States attorney's office here, was filed by Atty. Maurice J. Walsh of Chicago, representing Balistrieri.

The petition said the appeals court had failed to realize the government's responsibility to prove "beyond a reasonable doubt" that government evidence submitted during Balistrieri's trial was free from "taint" — illegally obtained evidence by electronic surveillance.

The justice department has maintained that evidence obtained by eavesdropping equipment in Balistrieri's office, his bookkeeper's apartment and a lawyer's office was suppressed in the trial before Judge Omer C. Poos.

But the petition said that both the trial and appeals court "failed to apply the test of beyond a reasonable doubt and substituted a test of substantial evidence" of suppression.

"Thus we have both courts adhering to a rule abandoned and overruled by the supreme court," the petition said.

The petition was critical of the trial prosecutor, Franklyn M. Gimbel, former assistant United States attorney.

Gimbel's questioning of the first defense witness as to whether he had ever been arrested or convicted of a felony "affected the credibility of the remaining defense witnesses," the petition said.

"Such flagrant, repetitious and knowing misconduct by the prosecutor (Gimbel) can never be excused. It was a foul blow and should not be supported by this court as part of a fair trial," the petition said.

MI 94-316

The January 3, 1969 edition of the Milwaukee Journal contained the following article:

MI 94-316

(Mount Clipping in Spac

Balistrieri Gets No Rehearing

The federal circuit court of appeals in Chicago Friday refused to grant a rehearing on its ruling upholding the conviction of Milwaukee tavernkeeper Frank P. Balistrieri for income tax evasion.

The court gave no explanation.

Robert J. Lerner, acting United States attorney, said Balistrieri had until Tuesday to apply for a stay and 30 days to appeal to the United States supreme court.

Federal Judge Omer Poos, who presided in Balistrieri's trial in Springifeld, Ill., in March, 1967, sentenced Balistrieri, 51, of 3043 N. Shepard av., to two concurrent terms of two years in federal prison and fined him $10,000 on two counts of evasion.

On January 6, 1969 ROBERT J. LERNER, U. S. Attorney, Eastern District of Wisconsin, Milwaukee, advised that the 7th Circuit Court of Appeals, Chicago, Illinois, issued an order dated December 31, 1968 denying FRANK BALISTRIERI's petition for a rehearing on their November 7, 1968 affirmation of BALISTRIERI's judgment of conviction. BALISTRIERI's attorneys have filed a petition for a 30 day stay to January 30, 1969 before filing a petition for certiorari.

MI T-2 advised on December 13, 1968 that he had received information that FRANK BALISTRIERI had retained the services of a noted criminal attorney, EDWARD BENNETT WILLIAMS, to submit his petition for a hearing of his income tax conviction before the U. S. Supreme Court. This source believed that the services of WILLIAMS were secured by FELIX "MILWAUKEE PHIL" ALDERISIO, noted Chicago La Cosa Nostra (LCN) figure.

MI T-5 advised on December 5, 1968 that it is the general opinion that FRANK BALISTRIERI is now resigned to the fact that he will go to prison on his recent income tax evasion conviction as his appeal was turned down by the Appeals Court. BALISTRIERI is trying to postpone any jail sentencing as long as possible.

Captain [redacted] Special Assignment Squad, Milwaukee Police Department, advised on January 15, 1969 that he had determined FRANK BALISTRIERI had been in Washington, D. C. during the past week to engage the services of EDWARD BENNETT WILLIAMS to handle the presentation of his case to the U. S. Supreme Court. b6 b7C

BUSINESS ENTERPRISES

On November 12, 1968 the Milwaukee Sentinel contained the following article:

MI 94-316

(Mount Clipping in Space Below

J. Balistrieri Buys Brass Rail Building

The building at 744 N. 3rd st., in which the Brass Rail striptease lounge is located, has been sold by the Jos. Schlitz Brewing Co. to Atty. Joseph P. Balistrieri, a spokesman for the company said Monday.

Schlitz had owned the building and had leased it to Irvin Pogrob, operator of the Brass Rail, the spokesman said.

Balistrieri is the son of Frank P. Balistrieri, Milwaukee nightclub operator.

Convicted in '67

Frank Balistrieri was convicted last year of income tax evasion and was sentenced to two concurrent two year prison terms and fined $10,000.

A federal appeals court last week upheld the conviction. Balistrieri's attorney said he probably would petition the United States 7th circuit appeals court to set aside the conviction.

According to records in the register of deeds office, a warranty deed transferring the property from the brewing company to Joseph Balistrieri was executed Sept. 27 and recorded Sept. 30.

Executed and recorded those same dates was a mortgage on the property taken out by Joseph Balistrieri with Continental Bank and Trust Co. The mortgage is for $63,000.

Also on record is a $125,000 mortgage, executed Sept. 10 and recorded Sept. 11, between Joseph Balistrieri and Continental bank on property at 822 N. Water st. where the Wayside Inn tavern formerly was located.

The N. Water st. building was bought earlier by Joseph Balistrieri and the tavern license of the former Le Bistro A-Go-Go, at 821 N. 3rd st., was transferred to the N. Water st. address.

The license for the N. Water st. tavern is in the name of Angelo Di Giorgio, described as manager of Le Bistro when it opened in 1964.

Pogrob, contacted Monday night, said that he is continuing to operate the Brass Rail in the N. 3rd st. building and that he is now leasing the building from Joseph Balistrieri. The latter could not be reached for comment Monday.

Pogrob's brother, Isadore (Izzie) Pogrob, former operator of the Brass Rail, was shot to death in a gangland style slaying here in 1960.

Police at the time theorized that Isadore Pogrob had been involved with or had too much knowledge of crime syndicate traffic in illegal liquor.

His bullet riddled body was found in a Mequon drainage ditch. The murder is still unsolved.

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date 10/30/68

[redacted] Milwaukee, Wisconsin, advised he was approached during early September, 1968, by JOSEPH P. BALISTRIERI, attorney and son of FRANK PETER BALISTRIERI, [redacted] Milwaukee. b6 b7C b7D

[redacted] b6 b7C b7D

[redacted] "FRANK BALISTRIERI" [redacted] son JOSEPH BALISTRIERI [redacted] b6 b7C b7D

Two or three days later [redacted] b6 b7C b7D

On 10/23/68 at Milwaukee, Wis. File# MI 94-316

SA [redacted] b6 b7C

by SA DANIEL E. BRANDT: mk Date dictated 10/29/68

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

MI 94-316
DEB:mk
2.

[redacted] b6 b7C b7D

[redacted] night clubs owned by FRANK PETER BALISTRIERI

On December 13, 1968 MI T-2 advised that The Scene, one of BALISTRIERI's night clubs, was closed, with the exception of 3 nights on weekends because of poor business. This same source also indicated that JOE ENEA was running Alfie's Tavern on North Teutonia Avenue, for FRANK BALISTRIERI.

The December 31, 1968 edition of the Milwaukee Sentinel contained the following article:

(Mount Clipping in Space Below)

Brass Rail License to Porchetta

The common council Monday granted a tavern license to operate the Brass Rail, 774 N. 3rd st., to Rudolph A. Porchetta, who already operates the Downtowner cocktail lounge, 340 W. Wells st.

The buildings are owned respectively by Atty. Joseph P. Balistrieri and by a corporation headed by his father, Frank P. Balistrieri.

The council's license committee on Friday had held an unannounced meeting to recommend approval of the license for Porchetta, who lives at 2848 N. 36th st.

In Clerk's Office

The unusual meeting was held in the office of the council's chief license clerk, Helmund H. Wolf.

Three members of the committee were present and voted for the license: Aldermen Allen R. Calhoun, committee chairman, Robert P. Kordus and Warren D. Braun.

The former operator of the Brass Rail, Irvin L. Pogrob, closed the strip joint Dec. 1.

He said he did so because Joseph Balistrieri raised his rent from $600 to $1,100 a month.

Joseph Balistrieri bought the building in September from the former owners, the Jos. Schlitz Brewing Co.

At the time of the purchase, Pogrob said he would continue to operate the striptease lounge.

Brother Killed

Pogrob's brother, Isadore (Izzie) Pogrob, formerly operated the Brass Rail. He was shot to death in gangland style here in 1960.

His body, riddled with bullets from at least two guns, was found in a Mequon drainage ditch. The murder has not been solved.

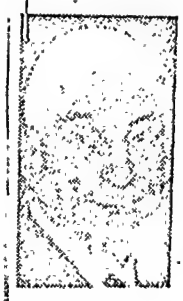
Irvin Pogrob said Monday that he was "glad to be out.

"I don't feel one way or the other about it," he said.

Frank Balistrieri was convicted last year of income tax evasion and sentenced to two concurrent two year prison terms and fined $10,000.

Rehearing Asked

The conviction was upheld by a federal appeals court, but



Rudolph A. Porchetta

Balistrieri's attorney has petitioned for a rehearing.

There was no discussion of the Porchetta license Monday on the council floor.

Tavern licenses are approved all together with one vote. Aldermen are rarely aware of the individuals or premises involved.

Wolfe said that Porchetta was not present at the committee meeting Friday but that the committee understood he wanted to reopen the Brass Rail New Year's eve.

MI 94-316

MI T-1 advised on January 3, 1969 that FRANK BALISTRIERI has been forced to close his night club, The Scene, because of a lack of personnel to operate the club. This source felt it was BALISTRIERI's own fault because BALISTRIERI hesitates to pay proper wages to bartenders and other employees.

The January 14, 1969 issue of the Milwaukee Sentinel contained the following article:

(Mount Clipping in Space Below)

Calhoun Sees No Conflict In Balistrieri Friendship

By GENE CUNNINGHAM

Ald. Allen R. Calhoun, jr., chairman of the common council's license committee, said last week he was a personal friend of Frank P. Balistrieri, local nightclub operator.

But Calhoun said he saw no conflict of interest in the friendship.

Calhoun said he and Balistrieri have been personal friends ever since they attended Lincoln high school together.

The license committee Calhoun heads recommends approving or denying city tavern licenses. He has been on the committee since 1963.

Balistrieri's corporations, employes and business associates currently hold licenses for at least seven Milwaukee taverns.

In the past, the Milwaukee police department has accused

Ald. Allen R. Calhoun, Jr. — Frank P. Balistrieri

Balistrieri of multiple tavern ownership. The common council, however, refused the department's request to revoke the licenses of the taverns in which police said Balistrieri was involved.

Currently, the law limits to two the number of taverns in which a person may have a financial interest.

Calhoun said he had known Balistrieri since the 1930s when they had gone to Lincoln high school together and played together in the school band.

According to school records, Calhoun attended Lincoln one year and Balistrieri was there five years.

Calhoun said he sometimes has lunch with Balistrieri or meets him socially, usually by accident. Their meetings, he said, are always social and do not involve licensing or business matters.

Asked when he last saw Balistrieri, Calhoun said, "I don't remember." He added that it was "maybe during the holidays."

On Dec. 27, Calhoun's committee held an unannounced meeting in the office of Helmund H. Wolf, chief city license clerk, and approved a tavern license for the Brass Rail, a N. 3rd st. stip joint operated in a building recently bought by Atty. Joseph Balistrieri, Frank Balistrieri's son.

The Brass Rail license was issued to Rudolph Porchetta, a longtime Balistrieri associate, who also has the license as agent for the Downtowner, a strip joint operated by a Balistrieri corporation.

Porchetta was named as a conspirator with Balistrieri in the federal tax case in which Balistrieri was convicted of income tax evasion.

One appeal of Balistrieri's conviction has been denied and another appeal to the United States supreme court is pending.

Balistrieri was sentenced to two concurrent two year prison terms and fined $10,000.

Called as a witness in Balistrieri's trial, Porchetta consistently took the fifth amendment on the ground that his answers might tend to incriminate him.

He refused to answer questions concerning his connections with Balistrieri and with the businesses in which the government claimed Balistrieri had financial interests.

The license committee's recommendation that the Brass Rail license be issued to Porchetta was later approved by the common council.

Bartenders who work at the Downtowner sometimes tend

bar at the Brass Rail or at the Ad Lib, another more plush downtown strip spot.

Calhoun told this reporter that from what he had observed, Balistrieri apparently has "some interest" in the operation of the Ad Lib, although his interest does not show "on paper."

Prior to the city election, a number of campaign groups held meetings at the Ad Lib, Calhoun said. He said one of his groups had met there.

At that time, the Ad Lib served food, and a numberof groups held luncheon and dinner meetings there.

The Ad Lib is listed as owned by Mando Enterprises, Inc., with James Jennaro as registered agent.

However, an application is pending before the license committee that would name Jerome Di Maggio as agent replacing Jennaro. Di Maggio is listed as an employe of the Downtowner.

Ben-Kay, Inc., with Porchetta as agent, is listed as owner of the Downtowner.

Porchetta now tends bar at the Brass Rail, and Di Maggio is tending bar at the Ad Lib.

If someone could look into the corporations holding tavern licenses in Milwaukee, they probably could find violations in a number of cases, Calhoun said.

In some cases, there probably is multiple ownership, Calhoun said, but the corporation papers and information submitted to the license committee when license application is made do not show this.

For that reason, he said, the committee has no basis on which to refuse to issue a license.

The license committee, Calhoun said, depends on the police department to do investigative work relative to liquor license applicants and to investigate and report irregularities and license violations in tavern operations.

A police department report and recommendation accompanies each application for a liquor license, Calhoun said.

Asked what the police recommended on Porchetta's application for a license for the Brass Rail, Calhoun said, "I don't remember."

Wolf, however, said the police recommendation was "no objection" to the licensing.

The meeting in Wolf's office at which a quorum of the license committee voted to recommend issuing the license to Porchetta was arranged hurriedly in order to approve several bartenders' licenses that would have expired Dec. 31, Calhoun said.

At the meeting, action also was taken on the Brass Rail license and on another tavern license application, he said.

Only two of four members on Calhoun's committee were at the meeting, making an exact quorum of three, counting Calhoun.

Such meetings, held when a quorum can be called together, are not uncommon, Calhoun said.

Three of the committee members, however, said that it is uncommon for the committee to meet in Wolf's office.

It is "not at all common," said veteran Ald. Martin E. Schreiber, a committee member and former common council president.

Schreiber and Ald. Vel Phillips, another member of the committee, both said they were not notified of the meeting. They did not attend because they did not know that it was being held, they said.

Ald. Warren D. Braun, who was at the meeting, also said that it was "not usual" for meetings to be held in Wolf's office.

Ald. Robert P. Kordus, the other committee member at the meeting, could not be reached for comment.

A liquor license transfer was approved last year for a tavern located in another building bought earlier by Joseph Balistrieri.

The license, that of Le Bistro A-Go-Go in the name of Angelo Di Giorgio, was transferred to the address of the former Wayside Inn, 722 N. Water st., the building bought by Joseph Balistrieri.

The building is currently being remodeled in preparation for the opening of a tavern there.

An inspection of the premises must be completed and reports made before the license is released and the tavern allowed to open, committee members said.

MI 94-316

On December 31, 1968 MI T-5 mentioned reading the newspaper article which concerned the rush meeting of the Milwaukee Common Council's Licensing Committee to grant a liquor license to RUDY PORCHETTA for operation of the Brass Rail, which was expected to open on New Year's Eve.

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CURRENT ACTIVITIES

On December 17, 1968 MI T-5 advised that JOHN JOSEPH AIELLO, member of Milwaukee LCN family, died of natural causes on December 5, 1968. The wake for AIELLO was held December 6, 1968 at the Guardalabene and Amato Funeral Home, North Humboldt Avenue, Milwaukee, and the funeral took place December 7, 1968. FRANK BALISTRIERI attended the wake for AIELLO and took up a collection for AIELLO's widow. MI T-5 also understood that FRANK BALISTRIERI gave AIELLO's widow an envelope containing cash which BALISTRIERI said came from FELIX ALDERISIO, noted Chicago LCN family member.

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

-1-

Date January 20, 1969

At approximately 2:50 p.m., FRANK BALISTRIERI was observed using the pay telephone in the hallway outside of the doorway leading into Sally's Restaurant, 1028 East Juneau, Milwaukee, Wisconsin.

On 1/16/69 at Milwaukee, Wisconsin File# MI 94-316

by SA [redacted] -20*- Date dictated 1/20/69

b6
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FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Milwaukee, Wisconsin
January 23, 1969

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA DANIEL E. BRANDT at Milwaukee, Wisconsin, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

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FD-36 (Rev. 5-22-64)

F B I

Date: 4/3/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIRMAIL
(Priority)

TO : DIRECTOR, FBI (92-3116)

FROM : SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

(OO: MILWAUKEE)

Enclosed for the Bureau is one copy each of the following:

1. Petition for a writ of certiorari filed with the U.S. Supreme Court by BALISTRIERI's attorney during February, 1969.

2. Brief for the U.S. Government in opposition to the above petition, filed with the U.S. Supreme Court during March, 1969

The above documents were made available by AUSA [redacted] Milwaukee, on 4/2/69 and copies have been made for subject Milwaukee file.

b6
b7C

2 - Bureau (92-3116) (Enc. 2) (AM-RM)
1 - Milwaukee (94-316)
DEB/kdb
(3)

2- ENCLOSURE
[illegible] FILE

92-3116-564

REC 27

APR 7 1969

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

59 APR 15 1969

FBI WASH DC

328PM URGENT 4-21-69 MFE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
APR 21 1969

TELETYPE

Mr Tolson	
Mr DeLoach	✓
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

TO: DIRECTOR (92-3116)

FROM: MILWAUKEE (94-316)

FRANK PETER BALISTRIERI, AKA. AR. OO: MI.

RE MILWAUKEE TELETYPE APRIL ELEVEN LAST.

USA ROBERT J. LERNER, EDW, MILWAUKEE, ADVISED TODAY THAT THE U.S. SUPREME COURT DENIED BALISTRIERI'S REQUEST FOR A WRIT OF CERTIORARI ON INSTANT DATE. LERNER INDICATED THAT THE COURT WAS DIVIDED, SIX TO TWO, WITH JUSTICES FORTAS AND DOUGLAS IN THE MINORITY UPHOLDING BALISTRIERI'S REQUEST FOR A WRIT WHILE JUSTICE MARSHALL DID NOT PARTICIPATE IN THE DECISION. INDICATIONS ARE JUSTICE DEPARTMENT WOULD OPPOSE ANY FURTHER MOTIONS BY BALISTRIERI'S ATTORNEYS.

THIS MATTER BEING FOLLOWED AND BUREAU WILL BE ADVISED OF ANY FURTHER DETAILS.

END.

ERT

FBI WASH DC

P

REC-88 92-3116-566

APR 23 1969

53 APR 28 1969

CC: MR. GALE

MR. DELOACH FOR THE DIRECTOR

VIA TELETYPE

APR 11 1969

ENCIPHERED

PARAPHRASE IF DISSEMINATED

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

6:55PM URGENT 4-11-69 LRK

TO DIRECTOR

FROM MILWAUKEE

FRANK PETER BALISTRIERI, AKA; AR; OO, MILWAUKEE.

ON APRIL TEN LAST, [redacted]

[redacted] b7D

ON INSTANT DATE, [redacted]

[redacted] BALISTRIERI b7D

WILL KNOW DURING THE COMING WEEK WHETHER OR NOT HE WILL GO TO JAIL ON HIS INCOME TAX CASE. THIS INFORMANT EXPECTED STEVE DE SALVO TO TAKE BALISTRIERI'S PLACE SHOULD HE BE FORCED TO GO TO JAIL.

THIS MATTER BEING CLOSELY FOLLOWED BY MILWAUKEE, AND BUREAU WILL BE ADVISED OF ANY FURTHER DEVELOPMENTS.

RECEIVED 8:00 PM RMC

REC-84 92-3116-565

10 APR 15 1969

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

UNITED STATES G[illegible]NT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. DeLoach

DATE: 4/30/69

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

[redacted] Department Attorney, Tax Division, called at 5:20 p.m., April 29, 1969, and advised that attorneys for the captioned individual have filed a petition in the U.S. Supreme Court for rehearing from a denial of certiorari by the court last week. b6 b7C

By way of background, Balistrieri is the Milwaukee hoodlum who was convicted of income tax violation in Federal District Court, Springfield, Illinois, and sentenced in September, 1967, to two years and fined $5,000. An appeal was taken and denied in the Circuit Court of Appeals which upheld the conviction. In advance of the trial of Balistrieri in the income tax matter, we advised the Department by letter of September 29, 1966, that the Bureau had maintained electronic surveillance coverage on Balistrieri between March, 1964, and June, 1965, in connection with our antiracketeering investigation of the subject. We also pointed out that the information derived from this coverage had not been disseminated by us to the Internal Revenue Service. On September 30, 1966, the Department requested information and records regarding the installation and location of electronic surveillance devices installed to monitor Frank Peter Balistrieri [redacted] and other persons connected with the operations of Balistrieri's business enterprises in Milwaukee, Wisconsin. b6 b7C

By letter of October 10, 1966, we responded to this request and furnished to the Department full particulars concerning the specific coverage we had maintained on Balistrieri [redacted] and an associate, Dominic Frinzi. This comprised the principal and substantive coverage we had on Balistrieri's activities. b6 b7C

During the trial of Balistrieri, a hearing on the aforementioned electronic coverage was conducted and the court ruled that there was no taint to the income tax case resulting from this coverage.

REC 8 92-3116-567

17 MAY 6 1969

1 - Mr. DeLoach
1 - Mr. Bishop
1 - Mr. Gale
1 - Mr. Staffeld
1 - Mr. Leggett

6 MAY 23 1969

CONTINUED - OVER

Memorandum to Mr. DeLoach
Re: FRANK PETER BALISTRIERI

[redacted] has advised that in the current petition for rehearing, attorneys for Balistrieri have stated that as a result of a Bureau electronic disclosure made in connection with the recent Fraud By Wire case against [redacted] in Los Angeles, California, it had come to their attention that Balistrieri may have been monitored [redacted] Chicago, Illinois, and they were seeking a further hearing on this matter. b6 b7C b7E

[redacted] asked to be advised concerning this matter and a check was made with our Chicago office which revealed that Balistrieri was briefly overheard on one occasion [redacted] Chicago, Illinois [redacted] and had been mentioned, but not overheard, on three other different microphones [redacted] Chicago division. A current check of our electronic indices (which were set up after we had made the original disclosure and turned over the material in the Balistrieri case) discloses additional incidental references to Balistrieri in Milwaukee, and this office, together with Chicago, has been instructed to immediately forward to the Bureau any logs and records containing any such references. b6 b7C b7E

ACTION:

If approved [redacted] will be orally advised of the above, and as soon as the supplemental information requested from the field is received it will be reviewed and furnished promptly to [redacted] for use in answering the subject's petition for rehearing. b6 b7C

April 22, 1969

SPECIAL INVESTIGATIVE DIVISION

Attached teletype indicates that the U.S. Supreme Court on 4-21-69 denied the appeal of Milwaukee hoodlum Frank Peter Balistrieri from his conviction on Federal income tax charge.

Balistrieri, the La Cosa Nostra leader in the Milwaukee area, was convicted after jury trial and given a sentence in September, 1967, of two years confinement and fined $5,000. During the trial disclosure was made of Bureau microphone coverage on Balistrieri and logs were turned over to the court for inspection.

The trial court conducted a full adversary hearing on the microphone coverage and the Supreme Court decision conforms with the views it has expressed in recent cases involving microphone coverage. The basis of the unsuccessful appeal was the microphone coverage and lack of proof of income.

JGL:msm

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. Gale

DATE: May 1, 1969

FROM : T. J. McAndrews

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Pursuant to the Director's authorization on the memorandum dated 4/30/69 on the above-captioned subject, the writer contacted [redacted] Department attorney, Tax Division, at 9:00 a.m., 5/1/69. b6 b7C

[redacted] was advised that we had made a search of pertinent records and had verified the fact that we had monitored Balistrieri at the [redacted] Chicago, Illinois, [redacted] was also informed that we had numerous interceptions on various other microphones where Balistrieri was discussed but was not present. He was also told that we had many references on Frank (Last name unknown) over different microphones which, on the basis of information set forth, we were unable to identify them with Balistrieri. [redacted] was also informed that we did have one intercept on a microphone maintained on [redacted] contacted Balistrieri [redacted] b6 b7C b7E

The foregoing information was obtained as a result of a check of our electronic indices at the Bureau and a similar check made in our offices in Chicago, Milwaukee, and St. Louis which our central electronic indices indicated might have pertinent information concerning Balistrieri.

[redacted] advised that he had obtained from the Organized Crime Section of the Department the airtels submitted by Chicago on [redacted] microphone and also a copy of the pertinent log [redacted] concerning Balistrieri [redacted] Chicago, Illinois. He therefore did not need any further information from the Bureau in this connection. These airtels and logs have previously been made available to the Department in connection with [redacted] fraud by wire case and the forthcoming Alderisio extortion case hearing in Denver. [redacted] asked that he be provided with a copy of the log showing the telephone conversation between [redacted] b6 b7C b7E

ENCLOSURE

1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Staffeld
1 - Mr. Leggett
McA:lab (5)

REC 8

92-3116-568

17 MAY 6 1969

6 MAY 23 1969
70 MAY 14 1969

Memorandum to Mr. Gale
Re: Frank Peter Balistrieri

[redacted] microphone mentioned above. This is being provided to [redacted] today.* Concerning the other discussions about Balistrieri and the logs wherein a Frank is mentioned but is not definitely identified as Balistrieri [redacted] stated he did not desire any copies of this material. b6 b7C b7E

[redacted] advised that he thought that he probably would put in an affidavit attaching copies of [redacted] intercept from [redacted] microphone and possibly [redacted] microphone and make this available to the court and to the defense in connection with the Government's opposition to the defendant's petition for a rehearing which has been filed in the Supreme Court. [redacted] did not know when this would take place, but indicated he would keep in touch so that the Bureau will be completely advised concerning all developments. He indicated that as far as he could see from the material he presently had, there should be no problem in overcoming any subsequent hearing on electronic coverage which might be ordered by the Supreme Court. b6 b7C b7E

ACTION

For record purposes.

* Log delivered to [redacted] 5/1/69 & contents of this memo again discussed with him; [redacted] only desired [redacted] log of [redacted] microphone (which he had) & this log from [redacted] microphone. MCA. b6 b7C b7E

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Alvin A. Staffeld, Jr.
Federal Bureau of Investigation

DATE: May 1, 1969

FROM : [redacted] Attorney,
Tax Division

b6
b7C

SUBJECT: RECEIPT FOR LOGS

This will acknowledge receipt for one Xerox copy of the following handwritten log concerning a monitored conversation of [redacted] on whom electronic coverage was maintained at [redacted] from [redacted] by the microphone source identified: [redacted]

b7E

(1) Handwritten log and insert thereto both dated

[redacted]

May 1, 1969

[redacted]

b6
b7C

[redacted]

b6
b7C

Room 6515 IB 92-3116-568 ENCLOSURE

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108

Mr. Alvin A. Staffeld, Jr.
Federal Bureau of Investigation

May 1, 1969

[redacted] Attorney, b6 b7C
Tax Division

RECEIPT FOR LOGS

This will acknowledge receipt for one Xerox copy of the following handwritten log concerning a monitored conversation of [redacted] on whom electronic coverage was maintained at [redacted] from [redacted] by the microphone source identified: b7E

[redacted]

[redacted] (1) Handwritten log and insert thereto both dated

May 1, 1969 [redacted] b6 b7C

1 - 62-318

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

JGL:lke
(6)

MAIL ROOM ☐ TELETYPE UNIT ☐

[redacted] b6 b7C

4/30/69

CODE

1 - Mr. Leggett
1 - Mr. Staffeld

TELETYPE URGENT

SENT BY CODED TELETYPE

TO SACS MILWAUKEE AND CHICAGO

FROM DIRECTOR, FBI

ELSUR, FRANK PETER BALISTRIERI, ANTI DASH RACKETEERING.

REBUCALLS, FOUR TWENTYNINE AND THIRTY SIXTYNINE, MILWAUKEE TEL FOUR THIRTY SIXTYNINE, AND CHICAGO AIRTEL FOUR TWENTYNINE SIXTYNINE, AND MILWAUKEE AIRTEL FOUR THIRTY SIXTYNINE.

MILWAUKEE AND CHICAGO PROMPTLY ADVISE WHETHER ANY INFORMATION RECEIVED FROM ELECTRONIC COVERAGE, REFERRED TO IN REFERENCED CALLS AND COMMUNICATIONS, INCLUDED IN REPORTS OR OTHER COMMUNICATIONS, AND IF SO IDENTIFY SUCH COMMUNICATIONS BY DATE AND CAPTION AND INDICATE WHAT DISSEMINATION WAS MADE INCLUDING ANY DISSEMINATION OUTSIDE THE BUREAU.

NOTE: Department has requested supplementary information concerning Bureau electronic coverage of Milwaukee hoodlum Balistrieri who is subject of antiracketeering investigation and was convicted and sentenced on Federal income tax case in 1967.

VIA TELETYPE
5:52 pm
ENCIPHERED

EX-114

REC 31

92-3116-569

19 MAY 1 1969

JGL:mfd
(4)

Tolson
DeLoach
Mohr
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Tele. Room
Holmes
Gandy

MAY 1 3 1969

MAIL ROOM TELETYPE UNIT

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : MR. GALE

DATE: May 8, 1969

FROM : T. J. MC ANDREWS

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

[redacted] Tax Division of the Department, called on May 8, 1969, to advise that he was reviewing [redacted] logs in connection with the Department's answer to the defendants' petition for a rehearing in the captioned matter. In reviewing these logs, he had noticed that [redacted] Balistrieri telephonically at Milwaukee [redacted] asked to be advised as to the identity of the individual subscribing to this number [redacted]

b6
b7C
b7E

Supervisor [redacted] of the Milwaukee Office checked with [redacted] Security Department, Wisconsin Telephone Company, and learned that [redacted] was assigned to [redacted] and is still so assigned. [redacted] reside at [redacted] Milwaukee, Wisconsin, and the criss-cross directory indicates this is [redacted] and that [redacted] Peter F. Balistrieri, brother of captioned subject, who has telephone number 272-2501 assigned to him. In addition, [redacted] and has telephone number [redacted]

b6
b7C
b7E

The foregoing was furnished telephonically to [redacted]

b6
b7C

ACTION:
For record purposes.

1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Staffeld
1 - Mr. Leggett

DLB
-5-

REC-64 92-3110-570

25 MAY 12 1969

66 MAY 19 1969

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : MR. GALE

DATE: May 12, 1969

FROM : T. J. MC ANDREWS

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

[redacted] of the Tax Division of the Department called this afternoon to ask if we could ascertain the subscriber to Milwaukee telephone number [redacted] required this information in order to prepare his motion in opposition to a petition for rehearing filed by Balistrieri's attorneys in the Supreme Court. -b6 b7C b7E

This number appears in the log for a telephone call between [redacted] A check was made and it was determined that Milwaukee telephone company has never had any such exchange as [redacted] The check with St. Louis indicated that [redacted] is listed to [redacted] which is the location [redacted] It would appear, therefore, [redacted] b7E

ACTION:

The foregoing was furnished to [redacted] this afternoon. b6 b7C

1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Staffeld
1 - Mr. Leggett

McA:dlb
-5-

REC. 109 92-3116-571

5 MAY 13 1969

5 MAY 26 1969

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
APR 29 1969

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC

FBI ST LOUIS

947PL URGENT 4-29-69 JLS

TO DIRECTOR

FROM ST. LOUIS (66-2473)

FRANK PETER BALISTRIERI, AR; ELSUR

RE BU TEL CAL TO SL FOUR TWENTYNINE

BALISTRIERI WAS NEVER SUBJECT OF OR PHYSICALLY PRESENT AT ANY ELSUR CONDUCTED BY SL.

ELSUR INDICIES RE [redacted] REFLECT CONTACT TELEPHONICALLY BETWEEN [redacted] BALISTRIERI ON [redacted] MICROPHONE SURVEILLANCE [redacted] ~~MISUR~~ INVOLVED. ONLY SL END OF CONVERSATION OVERHEARD [redacted] ENTIRE CONVERSATION ON [redacted] [redacted]

b6
b7C
b7E

IN A MEETING [redacted] [redacted] THE NAME OF BALISTRERI [redacted] [redacted]

b6
b7C
b7E

INFO FROM [redacted] NOT DISSEMINATED OUTSIDE BUREAU IN SL AND NOT INCLUDED IN ANY KNOWN COMMUNICATION.

REC 18 92-3116-572

END PAGE ONE

10 MAY 16 1969

55 MAY 21 1969

PAGE TWO

ENTRY GAINED FOR PLACEMENT OF [redacted]

[redacted]

PACKAGE FORWARDED VIA [redacted] SL AND ARRIV-

ING [redacted]

WFO ADVISED BY TELEPHONE.

END

CAB

FBI WASH DC

b6
b7C
b7E

May 14, 1969

Airtel

To: SAC, St. Louis (66-2473)

From: Director, FBI

FRANK PETER BALISTRIERI
AR
ELSUR

Reurtel and routing slip both dated 4/29/69.

Enclosed for return to your files are original logs of [redacted] b7E

For your information, a copy of the log dated [redacted] was furnished to the Department on 5/1/69 for its use in preparing an answer to the petition for rehearing filed in the United States Supreme Court on behalf of the captioned individual.

Enc. (2)

MAILED 9
MAY 14 1969
COMM-FBI

NOTE: In connection with the income tax conviction of Milwaukee hoodlum, Frank Peter Balistrieri, a petition has been filed in the U. S. Supreme Court for a rehearing on its decision denying Certiorari. St. Louis forwarded the original logs of [redacted] b7E for the dates [redacted] for possible use of the Department in preparing an answer to the subject's petition.

66-3176-573

REC 18

5 MAY 14 1969

JGL:jfp
(4)

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

MAY 21 1969

MAIL ROOM TELETYPE UNIT

Routing Slip
FD-4 (Rev. 4-28-67)

Date 4/29/69

To:

☒ Director

FILE [redacted] 66-2473

Att. Assistant Dir. Gale

Title FRANK P. BALISTRIERI
AR; ELSUR

☐ SAC

☐ ASAC

☐ Supv.

☐ Agent

☐ SE

☐ IC

☐ CC

RE:

☐ Steno

☐ Clerk ☐ Rotor #:

ACTION DESIRED

- ☐ Acknowledge
- ☐ Assign ___ Reassign ___
- ☐ Bring file
- ☐ Call me
- ☐ Correct
- ☐ Deadline ___
- ☐ Deadline passed
- ☐ Delinquent
- ☐ Discontinue
- ☐ Expedite
- ☐ File
- ☐ For information
- ☐ Handle
- ☐ Initial & return
- ☐ Leads need attention
- ☐ Open Case
- ☐ Prepare lead cards
- ☐ Prepare tickler
- ☐ Return assignment card
- ☐ Return file
- ☐ Search and return
- ☐ See me
- ☐ Serial # ___
  - ☐ Post ☐ Recharge ☐ Return
  - ☐ Send to ___
- ☐ Submit new charge out
- ☐ Submit report by ___
- ☐ Type
- ☐ Return with explanation or notation as to action taken.

Re Bu telephone call to SL 4/29/69.

Attached are ELSUR logs re [redacted] dated [redacted] b7E
Attention is directed to pages

SAC Joseph H. Gamble

___ See reverse side

Office St. Louis

0-20 (Rev. 7-27-67)

Tolson
DeLoach ✓
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale ✓
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

File
Staffeldress

UPI-105
(RUGGING)

WASHINGTON--THE SUPREME COURT TODAY REJECTED THE TAX EVASION APPEAL OF FRANK PETER BALISTRIERI, REFERRED TO BY THE FBI AS A "MILWAUKEE HOODLUM," ALTHOUGH TWO JUSTICES CITED AN "ASTOUNDING RECORD OF LAWLESSINVASION OF HIS RIGHTS BY GOVERNMENT AGENTS."

BALISTRIERI'S TRIAL WAS MOVED FROM MILWAUKEE TO THE EASTERN DISTRICT OF ILLINOIS. HE WAS CONVICTED OF HAVING REPORTED $2,166 FOR TOTAL INCOME TAXES FOR 1959 AND 1969 WHEN THE GOVERNMENT CLAIMED $21,397. HE WAS SENTENCED TO TWO YEARS IN JAIL AND FINED $10,000.

JUSTICES ABE FORTAS AND WILLIAM O. DOUGLAS, DISSENTING FROM THE COURT'S DENIAL OF REVIEW, CITED CLAIMS THAT AN ELECTRONIC "BU" WAS INSTALLED BY TRESPASS AND MAINTAINED IN BALISTRIERI'S OFFICE FOR MORE THAN A YEAR. BALISTRIERI ALSO ASSERTED THAT A "BU" WAS UNLAWFULLY MAINTAINED FOR ALMOST SIX MONTHS IN HIS ATTORNEY'S OFFICE, AND ANOTHER FOR EIGHT MONTHSIN THE OFFICE APARTMENT OF THE CONVICTED MAN'S SECRETARY.

FURTHER, ACCORDING TO THE CLAIMS, FBI AGENTS BROKE INTO THE SECRETARY'S APARTMENT AND PHOTOGRAPHED PAPERS IN BALISTRIERI'S PRIVATE FILE.

FORTAS, SPEAKING FOR THE DISSENTERS, NOTED THAT THE LOWER COURTS FOUND UNTAINTED INCRIMINATING EVIDENCE AS A RESULT OF A WATCH ON BALISTRIERI'S MAIL. BUT HE SAID INTERNAL REVENUE ALSO HAD ACCESS TO "A GREAT MASS OF ILLEGALLY OBTAINED INFORMATION UNMISTAKABLE SUGGESTING A LINE OF FURTHER INQUIRY."

THE DISSENT SAID THE CASE RAISES BASIC QUESTIONS OF WHAT STANDARDS TO APPLY "IN DETERMINING WHETHER AND TO WHAT EXTENT WIDESPREAD LAWLESSNESS IN AN INVESTIGATION SHOULD BENY THE PROSECTUION USE OF EVIDENTIARY MATERIAL."

4/21--SW249PES
/69

92-3116-A
NOT RECORDED
47 MAY 19 1969

655 104

55 MAY 21 1969

FOR MR. TOLSON
WASHINGTON CAPITAL NEWS SERVICE

FD-36 (Rev. 5-22-64)

FBI

Date: 4/30/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL
(Priority)

Personal Attention Inspector T. J. MC ANDREWS

TO: DIRECTOR, FBI (92-3116) JUNE

FROM: SAC, MILWAUKEE (66-950)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: Milwaukee

Remytel to Bureau dated 4/30/69.

Enclosed for the Bureau are copies of the following misur logs:

Identity of misur	Date of log

b7E

In above log BALISTRIERI mentioned but was not in presence of microphone.

3 - Bureau (Enc. 4) (92-3116) (AM) (SD)
(1 - 92-7733) 2 cc and destroyed
(1 - 92-3082)
4 - Milwaukee (66-950)
(1 - 94-316 - Sub 2)
(1 - 92-426) Sub 2)
(1 - 94-321 - Sub 2)

DEB/brr
(7)

REC-21 92-3116-574

04 JUN 3 1969

SPEC. MAIL RM.

6 JUN 11 1969

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

UNRECORDED COPY FILED IN

2. [redacted]

In above log BALISTRIERI in presence of microphone.

b6
b7C
b7E

3. [redacted]
4.
5.
6.
7.
8.
9.

In above logs individual in presence of microphone but not positively identified as BALISTRIERI.

10. [redacted]
11.
12.
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23.
24.
25.

b7E

In above logs BALISTRIERI was discussed but was not in presence of microphone.

26.
27.
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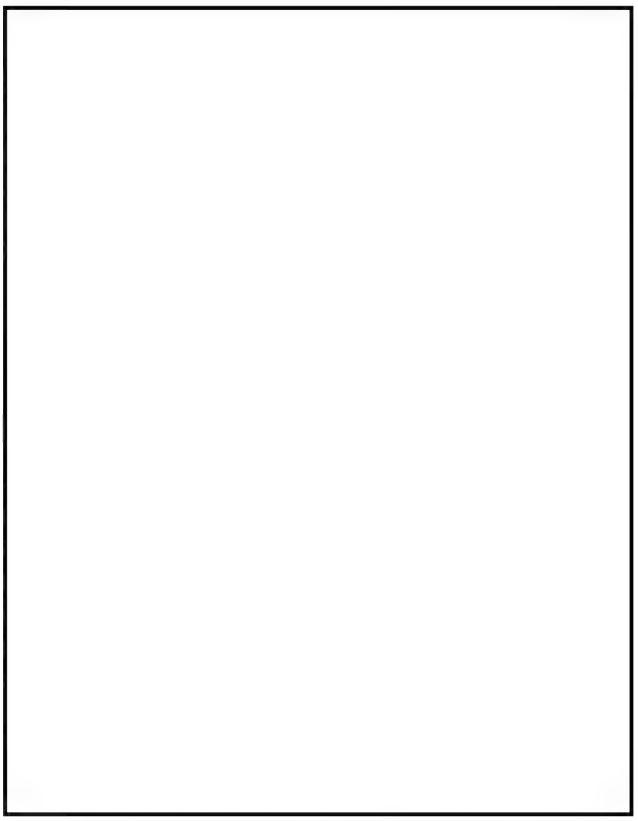


b7E

In above logs individual believed to be BALISTRIERI but not positively identified as BALISTRIERI was discussed but was not in presence of microphone.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
APR 30 1969

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC

FBI ST LOUIS

926AM URGENT 4-30-69 SEG

TO DIRECTOR

FROM ST. LOUIS (66-2473) 1P

FRANK PETER BALISTRIERI, AR, ELSUR.

REMYTEL CALL APRIL THIRTY INSTANT.

FURTHER SEARCH ST. LOUIS FILES REFLECT INFORMATION FROM [redacted] RE TELEPHONE CALL TO SUBJECT WAS FURNISHED TO BUREAU BY AIRTEL MAR. TWENTY, SIXTYFOUR, CAPTIONED [redacted]

b7E

COPIES OF THIS AAIRTEL WERE ALSO FURNISHED TO KANSAS CITY, LAS VEGAS, MIAMI, MILWAUKEE, AND TAMPA. NO OTHER DISSEMINATION MADE.

RUC.

END

COR

FBI WASH DC

EX-116 REC-20 92-3116-575

3 JUN 3 1969

P 323
55 JUN 10 1969

FD-36 (Rev. 5-22-64)

F B I

Date: 4/29/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (62-318)

FROM: SAC, CHICAGO (92-350 Sub 20)

ELSUR
FRANK BALISTRIERI

ReBucall 4/29/69.

Enclosed herewith are two (2) copies each of the following elsur logs or portions of logs wherein captioned individual was monitored over [redacted] and discussed on [redacted] was discussed over [redacted] and was discussed over [redacted] b7E

1.) [redacted]

2.)

3.)

4.) b7E

5.)

6.)

7.)

8.)

ENC. BEH

VLI/VLI 2 BUREAU (ENCLS-16)
1 CHICAGO

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

55 JUN 10 1969

1:25AM URGENT 4-30-69

TO DIRECTOR (92-3116)

FROM MILWAUKEE (66-950)

VIA TELETYPE

ENCIPHERED

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

JUNE.

PARAPHRASE IF DISSEMINATED

FRANK PETER BALISTRIERI, AKA AR. OO-MILWAUKEE.

RE BUTELCALL TODAY FROM T.J. MC ANDREWS.

SEARCH OF MILWAUKEE ELSUR INDICIES DISCLOSED SUBJECT'S NAME MENTIONED IN MICROPHONE SURVEILLANCE COVERAGE [redacted] b7E

REVIEW OF LOGS OF THIS MICROPHONE SURVEILLANCE REFLECT BALISTRIERI'S NAME MENTIONED IN LOG [redacted] BALISTRIERI WAS NOT IN PRESENCE OF MICROPHONE OR FURTHER MENTIONED IN THESE LOGS.

ELSUR INDICIES ALSO REFLECT BALISTRIERI MENTIONED IN MICROPHONE SURVEILLANCE COVERAGE OF [redacted] b6 b7C b7E

REVIEW OF THESE LOGS DISCLOSED BALISTRIERI WAS IN PRESENCE OF MICROPHONE [redacted] INDIVIDUAL POSSIBLY BALISTRIERI BUT NOT POSITIVELY IDENTIFIED AS BALISTRIERI WAS IN PRESENCE OF MICROPHONE [redacted]

END PAGE ONE

REC-5 92-3116-577

JUN 3 1969

59 JUN 9-1969

[redacted] BALISTRIERI MENTIONED BUT NOT IN PRESENCE OF MICROPHONE [redacted] b7E

[redacted] INDIVIDUAL POSSIBLY BALISTRIERI BUT NOT POSITIVELY IDENTIFIED AS BALISTRIERI WAS DISCUSSED BUT WAS NOT IN PRESENCE OF MICROPHONE [redacted] b7E

COPIES OF ALL LOGS INCLUDING THOSE NOT POSITIVELY IDENTIFYING BALISTRIERI BEING PREPARED IMMEDIATELY FOR FORWARDING TO THE BUREAU.

RECEIVED: 2:54 AM RM/RNK

0-20 (Rev. 7-27-67)

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

UPI-94
(VIS.)
WASHINGTON--THE SUPREME COURT TODAY ASKED THE JUSTICE DEPARTMENT TO REPLY TO ADDITIONAL CHARGES OF ILLEGAL "BUGGING" IN THE TAX EVASION CASE OF FRANK PETER BALISTRIERI, REFERRED TO BY THE FBI AS A "MILWAUKEE HOODLUM."

THE COURT REJECTED BALISTRIERI'S APPEAL ON APRIL 21, ALTHOUGH TWO JUSTICES CITED AN "ASTOUNDING RECORD OF LAWLESS INVASION OF HIS RIGHTS BY GOVERNMENT AGENTS." THE DISSENT WAS WRITTEN BY JUSTICE ABE FORTAS, WHO RESIGNED MAY 15 UNDER PUBLIC CRITICISM OF HIS RELATIONSHIP WITH JAILED FLORIDA FINANCIER LOUIS E. WOLFSON.

THE DISSENTERS CITED CLAIMS OF ILLEGAL ELECTRONIC EAVESDROPPING AT BLAISTRIERI'S OFFICE, HIS ATTORNEY'S OFFICE AND IN THE OFFICE APARTMENT OF THE CONVICTED MAN'S SECRETARY.

5/26--GE131P

92-3116-A

NOT RECORDED
191 JUN 6 1969

55JUN9 1969

WASHINGTON CAPITAL NEWS SERVICE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAY 29 1969
TELETYPE

FBI WASH DC

FBI CHICAGO

1049AM DEFERRED 5-29-69 DJS

TO DIRECTOR, MILWAUKEE AND NEWARK

FROM CHICAGO 1P

FRANK BALISTRIERI, AKA. AR. OO: MILWAUKEE.

AS BUREAU AWARE, BALISTRIERI IS LEADER ORGANIZED CRIME MILWAUKEE AND CLOSE ASSOICATE OF CHICAGO HOODLUMS.

[redacted] ADVISED THAT BALISTRIERI AND HIS ASSOCIATES IN ORGANIZED CRIME CURRENTLY [redacted] MILWAUKEE. b7D

[redacted] b6 b7C b7D

INFORMANT BELIEVES [redacted] MILWAUKEE [redacted]

NOTED INFORMANT IS [redacted] CHICAGO. b7D

REC 29 - 3116-578

CONTACT BEING MAINTAINED INFORMANT RE THIS SITUATION AND BUREAU AND INTERESTED OFFICES WILL BE KEPT ADVISED IF ANY FURTHER INFO FORTHCOMING.

3 MAY 29 1969

END 323

SLB 55 JUN 10 1969

FBI WASH DC

FD-263 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
MILWAUKEE	MILWAUKEE	6/16/69	1/31/69 - 6/11/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
FRANK PETER BALISTRIERI, aka	SA DANIEL E. BRANDT	bkc
	CHARACTER OF CASE: AR	

REFERENCES

Milwaukee report of SA DANIEL E. BRANDT, 1/23/69;
Milwaukee airtel to Bureau, 4/3/69;
Milwaukee teletype to Bureau, 4/11/69; and
Milwaukee teletype to Bureau, 4/21/69.

-P-

LEADS

MILWAUKEE DIVISION

AT MILWAUKEE, WISCONSIN

1. Will maintain contact with sources regarding BALISTRIERI's current activities.

ACCOMPLISHMENTS CLAIMED ☒ NONE						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☒ YES ☐ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☒ NO

APPROVED _____ SPECIAL AGENT IN CHARGE _____

DO NOT WRITE IN SPACES BELOW

92-3116-579

12 JUN 19 1969

REC-39

EX.-117

COPIES MADE:

3 - Bureau (92-3116) RM
1 - USA, Milwaukee
2 - Milwaukee (94-316)

Dissemination Record of Attached Report

Agency	CC. AAG, Criminal Division, Organized Crime and Racketeering Section, Room 2211
Request Recd.	
Date Fwd.	53 JUL 1 1969
How Fwd.	
By	

Notations: NINE STAT. SECT.

COVER PAGE

GPO : 1968 O - 299-885

2. Will report future developments in connection with BALISTRIERI's income tax evasion conviction.

INFORMANTS

T Symbol	Identity	Date and By Whom Contacted
MI T-1	[redacted]	2/12/69 by SA DANIEL E. BRANDT; 3/13/61 by SA DANIEL E. BRANDT; 4/25/69 by SA DANIEL E. BRANDT
MI T-2		4/11/69 by SA [redacted] and SA DANIEL E. BRANDT
MI T-3		4/17/69 by SA DANIEL E. BRANDT
MI T-4		5/23/69 by SA DANIEL E. BRANDT
MI T-5		3/14/69 by SA DANIEL E. BRANDT and SA [redacted]

b6
b7C
b7D

ADMINISTRATIVE

This report covers an extended investigative period; however, this case was kept pending through current investigations and interoffice correspondence.

The following informant information is being set forth in the administrative pages of this report to further protect the identities of the informants:

On 2/12/69, [redacted] advised he met with [redacted] indicated FRANK BALISTRIERI was having financial problems. He said BALISTRIERI was spending more money in the remodeling of his new nightclub than he had anticipated and as a result [redacted]

b7D

[redacted] b7D

[redacted]

[redacted] b6 b7C b7D

[redacted] advised on 3/4/69 that he had received information that the wife of FRANK BALISTRIERI had threatened to leave him if he did not discontinue his close association with [redacted] b6 b7C b7D

On 3/13/69, [redacted] advised that he has furnished information in the past concerning opinions that [redacted] has possibly received payoffs from BALISTRIERI for favors he has granted BALISTRIERI in Milwaukee. The informant said that [redacted] b6 b7C b7D

Informant said that if [redacted]

MI 94-316

On 3/14/69 advised that FRANK BALISTRIERI was having domestic problems with his wife and family over the fact he has been seeing another woman Approximately two weeks prior BALISTRIERI accused his wife a fight ensued in which BALISTRIERI threatened to kill FRANK BALISTRIERI if he ever laid a hand on his wife again. According to the informant The informant noted that he has also received information that BALISTRIERI is having physical problems with internal bleeding. b6 b7C b7D

On 3/26/69, advised that FRANK BALISTRIERI opened his new nightclub the King's IV, 722 North Water Street, Milwaukee, on 3/7/69, and BALISTRIERI BALISTRIERI is having problems with his wife and family over the fact and the informant believed BALISTRIERI BALISTRIERI's wife is exceedingly upset and has made the statement that she hopes her husband goes to jail. b6 b7C b7D

On 4/10/69, advised BALISTRIERI told him that in the event he does have to go to jail, the control of the Milwaukee LCN family will be in the hands of STEVE DE SALVO who will have help from BALISTRIERI's brother, PETER FRANK BALISTRIERI. BALISTRIERI told him that the King's IV, his new nightclub, was doing a good day business, but business during the evenings was very slow and that work was still being conducted b6 b7C b7D

on the second and third floors of the building.

On 4/21/69 [redacted] advised that [redacted] The informant advised that several important telephone calls for BALISTRIERI were made [redacted] however, BALISTRIERI could not be located to take these calls. b6 b7C b7D

On 4/23/69 [redacted] advised that he had received information that BALISTRIERI had been out of town since [redacted] The informant heard that when the decision of the Supreme Court turning down BALISTRIERI's request for a review was revealed, BALISTRIERI allegedly phoned his wife and told her that she finally got what she wanted; in other words, she wanted BALISTRIERI to go to jail. Informant said there are increasingly frequent rumors of possible divorce between BALISTRIERI and his wife. b6 b7C b7D

On 5/16/69 [redacted] advised that STEVE DE SALVO has closed "The Office," a bookmaking establishment paying off to FRANK BALISTRIERI [redacted] Informant said that FRANK BALISTRIERI [redacted] b6 b7C b7D

[redacted] advised on 5/16/69 that he received information that [redacted] b7D

MI 94-316

Informant believed that BALISTRIERI's son, JOSEPH P. BALISTRIERI, possibly handled some of the legal work

[redacted] advised on 5/23/69 that [redacted] b7D

[redacted] This same informant also [redacted]

On 6/5/69 [redacted] advised [redacted] FRANK PETER BALISTRIERI [redacted] b7D

[redacted] BALISTRIERI used the excuse of being out of town [redacted]

On 6/3/69 [redacted] b6 b7C b7D

F
COVER PAGE

MI 94-316

[redacted]

b6
b7C
b7D

On 6/6/69 [redacted] advised he had received information that FRANK BALISTRIERI's wife had made an unannounced trip to Chicago [redacted]

[redacted] told him that he was unaware of the bad feeling between him and his wife and that if he had known of the way BALISTRIERI was treating his wife he would not have [redacted] He told BALISTRIERI that if he harms one hair on his wife's head BALISTRIERI would have to deal directly with him. The informant further advised that [redacted]

b6
b7C
b7D

[redacted]

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee

Report of: SA DANIEL E. BRANDT Office: Milwaukee
Date: 6/16/69

Field Office File #: MI 94-316 Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: On 2/19/69 BALISTRIERI's attorneys filed a petition for writ of certiorari with the U. S. Supreme Court. On 4/21/69 the Supreme Court denied BALISTRIERI's request for certiorari by six to two vote. On 4/30/69 the Supreme Court petitioned by BALISTRIERI's attorneys for rehearing based on information that BALISTRIERI was a frequent visitor to premises of FELIX ALDERISIO, Chicago, Illinois, which Government admitted bugging in another court case. The U. S. Solicitor General agreed in a June, 1969, memorandum to having case remanded to district court for further hearing. BALISTRIERI named member of La Cosa Nostra family in Senate speech by Senator JOHN MC CLELLAN, BALISTRIERI opened King's IV Pub nightclub, Milwaukee, on 3/7/69.

-P-

Details:

AT MILWAUKEE, WISCONSIN

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

MI 94-316

STATUS OF BALISTRIERI'S INCOME TAX CONVICTION

The February 12, 1969, edition of the "Milwaukee Journal," an evening newspaper, contained an article indicating FRANK BALISTRIERI had added EDWARD BENNETT WILLIAMS to the legal staff to prepare a request for the U. S. Supreme Court to review BALISTRIERI's past income tax evasion conviction.

On February 19, 1969, BALISTRIERI's attorneys filed a petition for a writ of certiorari with the U. S. Supreme Court citing the following questions:

> "1(a). Whether, in the light of United States v. Wade, 388 U. S. 218 (1967), the government, to sustain its burden of demonstrating that its case against the accused is not the fruit of its admittedly illegal investigative activities, must be held to a standard higher than merely 'substantial evidence.'
>
> "(b). Whether evidence obtained by lawful methods, after its existence has been learned by unlawful methods, is tainted.
>
> "2(a). Whether, where the government has admitted investigating the accused by methods violating the law and his constitutional rights, there may lawfully be placed on the accused any burden of demonstrating that the evidence to be used against him was the fruit of the government's illegalities.
>
> "(b). Whether, to sustain its burden of demonstrating that its evidence is not tainted by admittedly illegal FBI bugging of the accused, his bookkeeper and his attorney, the government must disclose all FBI reports and memoranda containing information about the accused, especially when the FBI has destroyed the recordings of the bugged conversations and, in large part, has either destroyed or not kept the customary 'logs' of its buggings.

"3. Whether, where the government admits that the FBI maintained an illegal bug for almost six months in the office of the attorney who was representing the accused in the administrative stages at his tax case and later became one of accused's attorneys of record in his prosecution for tax evasion, the prosecution should be dismissed.

"4. Whether, in a prosecution for income tax evasion, based on the net worth theory, the government may use as the 'likely source' of the allegedly unreported income those corporations which the taxpayer disclosed on his return as the source of his reported income, without proof that those corporations were capable of producing and the taxpayer was capable of obtaining from them the additional income.

"5. Whether, when the prosecutor attempts to impeach an important defense witness, as to whom he has no knowledge of any criminal record, by asking, first, whether the witness had ever been arrested and, then, whether he had ever been convicted of a felony, the accused is entitled to grant of a mistrial notwithstanding the court's instruction to the jury to disregard the questions."

On April 2, 1969, ROBERT J. LERNER, U. S. Attorney, Eastern District of Wisconsin, Milwaukee, Wisconsin, advised that on March 28, 1969, the Government had filed a brief in opposition to BALISTRIERI's request for certiorari with the U. S. Supreme Court.

The March 29, 1969, edition of the "Milwaukee Sentinel," a daily morning newspaper, contained the following article:

(Mount Clipping in Space Below)

US Explains Balistrieri Case Bugging

The office of an attorney for Frank P. Balistrieri was bugged "in an effort to develop information bearing upon a gangland murder," the government contended in a written argument to the United States supreme court.

The brief, filed by justice department attorneys, asked the court to deny Balistrieri's petition to hear his income tax evasion case.

Balistrieri, Milwaukee nightclub owner, has been convicted of tax evasion, sentenced to two years in prison and fined $10,000.

In petitioning the supreme court, Balistrieri's attorneys said the federal bureau of investigation maintained an electronic listing device in the law office of Dominic H. Frinzi from Apr. 22 through Oct. 2, 1963.

The bugging was in violation of Balistrieri's constitutional rights, the petition said, since the government knew that Frinzi was then Balistrieri's tax counsel and was later to be an attorney of record in the tax evasion case.

In answer, government attorneys argued, "The purpose of the surveillance of Frinzi was not, as petitioner (Balistrieri) implies, to interfere with his right to counsel.

"It was not directed against petitioner at all but had been placed on Frinzi because of his association with prominent Milwaukee hoodlums and in an effort to develop information bearing upon a gangland murder."

Frinzi could not be reached by telephone for comment Friday night.

[The reference to a gangland murder apparently concerned the abduction and murder of Anthony J. Biernat, a Kenosha jukebox distributor, a justice department official said.

Biernat, 46, was reported missing on Jan. 7, 1963. His battered body, wrists bound with wire, was found in a shallow grave in the basement of an old house on the abandoned Bong air force base site three weeks later.]

"Clear Evidence"

The government also argued that it had established by "clear and convincing evidence that its trial evidence was untainted" by bugging.

The brief said the government had identified and made available for cross examination all personnel and former personnel of the FBI who had participated in the three electronic surveillances admitted by the government.

The trial court ordered suppressed all information obtained as a result of the surveillances, the brief continued.

The government brief added that the United States court of appeals ruled, "As with the other electronic eavesdropping the government proved its evidence was free from any taint as a result of this illegal surveillance."

Brief Argument

The brief said the appeals court also found "nothing in the record supporting the allegation that the purpose of conducting this surveillance was to interfere with defendant's right to counsel, nor does it appear that such right was infringed as the result of the government's conduct."

The government brief said that Balistrieri's argument that the "proper remedy is dismissal of his case, if adopted, would mean that in every case where an attorney has been the subject of an electric surveillance, all of his clients would receive immunity from criminal prosecution."

Balistrieri, 50, of 3043 N. Shepard av., was found guilty of evading $20,480 in taxes in 1959 and 1960 by a federal court jury in Springfield, Ill. on Mar. 23, 1967. He has been free on $15,000 appeal bond.

On April 21, 1969, U. S. Attorney LERNER advised the U. S. Supreme Court on that date had denied BALISTRIERI's request for certiorari by a vote of six to two with Justices FORTAS and DOUGLAS in the minority while Justice MARSHALL did not participate in the decision.

The May 1, 1969, edition of the"Milwaukee Sentinel" contained the following article which reflected a brief was filed by BALISTRIERI's attorneys requesting the Supreme Court to vacate their April 21, 1969, denial of a review of BALISTRIERI's conviction:

(Mount Clipping in Space Below)

Balistrieri Brief Cites Surveillance

By RICHARD BRADEE

Sentinel Washington Bureau

Washington, D. C. – Frank P. Balistrieri, Milwaukee night-club operator, frequently visited "bugged" premises in Chicago occupied by Felix (Milwaukee Phil) Alderisio, a Chicago gangland figure, it was disclosed in a brief filed with the United States supreme court.

The brief was filed by Atty. Edward Bennett Williams, lawyer for both Balistrieri and Alderisio.

It asks the court to vacate the court's Apr. 21 denial of a review of Balistrieri's conviction on two charges of income tax evasion. Balistrieri, 50, of 3034 N. Shepard av., has been sentenced to two concurrent two year prison terms and fined $10,000.

In the brief, Williams cited a supreme court ruling in a case involving Alderisio in federal district court in Colorado.

The high court in that case ordered a district court hearing on the effect of electronic eavesdropping which the solicitor general admitted had been conducted against Alderisio.

Testimony of August C. Kempff, a special agent of the federal bureau of investigation, in yet another case, showed that the "bugging" of Alderisio included electronic surveillance at 645 N. Michigan av., Chicago, from October, 1964, to April, 1965, Williams said.

Kempff's testimony came in a case in California in which Joseph Y. Stein and Leonard P. Stallman were charged with mail fraud. A federal district judge in Los Angeles dismissed the case, ruling that the evidence against the two men was illegally obtained through electronic surveillance in Chicago.

The FBI agent had testified that the "bugging" in that case also took place at Alderisio's Michigan av. premises.

After the supreme court refused last week to review Balistrieri's case, Williams said he met with Alderisio to begin preparation for Alderisio's case in Colorado.

"In the course of preparation, counsel learned from Alderisio that this petitioner, Balistrieri, had been a frequent visitor in the bugged premises at 645 N. Michigan av. during the period of the bugging and had then and there frequently conversed with Alderisio and others," Williams said in the brief.

The government has refused to disclose the contents of the log kept of the "bugging" of the Michigan av. premises, Williams said.

Although three instances of electronic surveillance by the government were disclosed early in Balistrieri's trial, Williams argued that the government never disclosed to Balistrieri the "bugging" of the Michigan av. building, located in downtown Chicago.

Williams asked the supreme court to require the solicitor general to answer his petition. He said that if the response confirms that Balistrieri was convicted without disclosure to him of all the instances in which he had been "bugged," then the court should vacate its denial of a review and grant his client a review of the lower court conviction.

[Last month, in a 5 to 3 ruling on the Alderisio case, the supreme court said that criminal defendants whose conversations or premises were "bugged" by federal agents have a right to examine government transcripts and logs.

[The point of the examination by defense attorneys is to determine if prosecution was built on illegal eavesdropping.

[In Balistrieri's earlier trial, the federal district court threw out one charge after the government revealed its use of electronic surveillance. But Federal Judge Omer Poos, Springfield, Ill., held that because the FBI-monitored conversations had been withheld from the jury, they had not affected the jurors' decision finding Balistrieri guilty.]

Robert J. Lerner, United States attorney in Milwaukee, said that Balistrieri's attorneys have applied to the supreme court for a stay of his sentence, pending action by the court on the motion for rehearing.

It is expected that within about two weeks, the supreme court either will deny the motion or order the solicitor general to file an answer to it.

Balistrieri's conviction is on evasion of $20,480 in taxes in 1959 and 1960. He has been free on $15,000 appeal bond since his conviction in Springfield on Mar. 23, 1967.

Felix (Milwaukee Phil) Alderisio

On May 26, 1969, the U. S. Supreme Court ordered the U. S. Solicitor General to reply to BALISTRIERI's petition for rehearing. During June, 1969, the U. S. Solicitor General filed a memorandum with the Supreme Court in response to the petition for rehearing which was as follows:

> "This memorandum is submitted pursuant to the order of this Court of May 26, 1969, requesting the Solicitor General to file a response to the petition for rehearing.
>
> "On receipt of the petition for rehearing in this case, we caused a further investigation to be made concerning possible electronic surveillance affecting petitioner. We have been advised that petitioner Balistrieri was overheard during the course of an electronic surveillance of the premises at 645 North Michigan Avenue. We were not aware of this overhearing at the time the government's brief in opposition to the petition for writ of certiorari was filed.
>
> "In these circumstances, we believe that it would be appropriate for the Court to vacate the order denying certiorari, grant the petition, vacate the judgement below and remand the case to the district court for further proceedings."

BALISTRIERI'S AFFILIATION WITH LA COSA NOSTRA

The March 7, 1969, edition of the "Milwaukee Journal" contained the following article:

(Mount Clipping in Space Below)

Mafia Is Here, but Lawmen Say It Doesn't Have Muscle

By THOMAS G. L
of The Journal

Wisconsin Atty. Gen. Robert Warren's new antiracket program takes dead aim at Mafia operations and leaders in Milwaukee.

In so doing, Warren maintains the position of previous attorneys general and the federal attorney general and justice department that the Mafia spilled over from Illinois into Wisconsin — principally into Kenosha, Racine and Milwaukee — years ago.

Milwaukee police chiefs in that period have insisted that Mafia dope, liquor, prostitution and protection operations are not major factors here.

The information generally accepted by federal and state law enforcement officers — and even by many Milwaukee county and city enforcement officers — is that:

Wisconsin's Mafia "family" numbers 40 to 50.

It operates principally in Milwaukee with considerable spillover into Racine and Kenosha, and has additional operations in the resort areas bordering Illinois and in northern Wisconsin.

The Milwaukee headquarters leadership — the "one big man" — has been weak since the death of the top man in 1960.

Attempts to strengthen the Milwaukee Mafia organization through a linkup with the well knit Kansas City Mafia have not succeeded.

The Milwaukee Mafia continues to make major decisions only by consent of the Chicago Mafia. Felix (Milwaukee Phil) Alderisio is the Chicago syndicate leader to whom the Milwaukee Mafia reports. Alderisio seldom comes to Milwaukee; the Milwaukee syndicate men more often go to Chicago.

Atty. Gen. Warren's anti-crime strategy differs from that of earlier attorneys general in this respect: Instead of reliance on present Wisconsin laws and federal assistance, he wants much broader, tougher state laws so that the Mafia, while part of a nationwide crime net, can be dealt with on a local basis.

He wants to tighten tavern licensing and jukebox distribution. He would hamstring syndicate operators by making operations between counties illegal. He wants to increase the gambling penalties. He would make some "loan shark" dealings subject to 20 year prison sentences.

He won't say so publicly, but in taking dead aim at the Milwaukee Mafia, Warren is taking dead aim also at Frank Peter Balistrieri, the local tavern man so often discussed by local, state and federal lawmen.

Balistrieri has been most prominently in the news because of his tavern operations and his long-running income tax troubles. But he has been identified as a Mafia chief by Life magazine and the Chicago Tribune, and he has vehemently denied in Milwaukee newspapers that he is the local racketeers king. Life included Balistrieri in a picture layout of national and regional Mafia leaders in 1967.

When The Milwaukee Journal sought Balistrieri's comment a few days ago on Warren's current actions, his wife told a reporter:

"I don't know where he is. He isn't home. If he was home I wouldn't put him on the telephone anyway."

Chicago Atty. Maurice J. Walsh, representing Balistrieri in the appeal of his tax evasion conviction to the United States supreme court, said that he was "totally ignorant" of Balistrieri's alleged connections with the Mafia.

"I have no knowledge or any indication of such connections," said Walsh. "The government has put no such proof in the trial of my client on federal tax evasion charges. I have read about his alleged associations in magazines or newspapers, but I'm totally ignorant of such a situation as had been related. We were merely employed to represent Balistrieri in the income tax case."

Offered to Leave Town

In an interview with two Milwaukee Journal reporters six years ago, Balistrieri maintained that he was a good husband, a member of St. Rita's Catholic church and the St. Joseph's Home for Children Athletic association, and worked hard seven days a week and never took a vacation.

Balistrieri insisted then that no organized crime existed in Milwaukee and said he was embarrassed by newspaper stories written about him and police surveillance of him.

He offered to leave Milwaukee — to go to China even — if the police could prove their allegations that he was anything but a legitimate businessman.

Asked to comment, Police Chief Harold A. Breier said Friday:

"As I have said before, we have no evidence of any existing organized crime in the city. We are constantly searching for prosecutable evidence in this area. If evidence is obtained we will take the proper police action. If anyone has any evidence, I will be very happy to know."

Balistrieri was on the list of United States Atty. Gen. Robert F. Kennedy, who some years ago told Walter Barnes, then in charge of heading the justice department's fight against organized crime in Wisconsin and two other states, that he wanted Balistrieri's head in six months.

Convicted in 1967

The six months went by with no results, however, and it wasn't until September, 1967, that the internal revenue service — which had begun its investigation a couple years before Kennedy took office — finally convicted Balistrieri of income tax evasion.

Lawmen here draw their conclusions about local syndicate operations from years of observation, from informers within and on the edges of the syndicate and from detailed exchanges of "raw information" at all law enforcement levels. Much of the information is substantial, though not admissible in court.

Loss of Prestige

They believe that Mafia "families" in other states are more tightly knit. They see no absolute discipline here, administered by a strong leader with the "family" loyalty and strength that existed up to 1960.

Their information is that Balistrieri's ineptness and preoccupation with avoiding a prison term for federal income tax evasion (he is now up against his last court appeal) makes his control here weak.

They hear that the local "family" has noted also a loss in "family" prestige because instructions to "the outfit" — the name the members use when talking with each other — are delivered by Alderisio in Chicago instead of in Milwaukee.

The lawmen also point to the operation of independent bookmakers (gamblers who traffic in bets on horses or sports events) in Milwaukee as evidence that the Mafia family here is disorganized. Perhaps the Mafia here has not sought to extend its influence over local operations, or perhaps it has been unable to do so, the law officers say.

But the fact that the mob has not taken over indicates a weakness not tolerated in other jurisdictions.

The Mafia here reportedly derives income from gambling, some taverns, some restaurants, some — but by no means all — local bookmaking, and jukebox distributorships. It also has business connections or working agreements with at least one financial institution and a couple of labor unions.

Traditional Sources

In contrast to other Mafia families, the local organization — perhaps again because of lack of interest or perhaps because of inability to extend its influence—has not received important income from the traditional mob enterprises of narcotics, prostitution, burglaries, hijacking, holdups, garbage collection or selling stolen property.

Compared with sister cities, Milwaukee has a clean government and a good police department. Nevertheless, the experts note that the Mafia flourishes only where there is corruption among city officials and police. The fact that the outfit does not flourish evidences generally strong police pressure and the absence of widespread corruption.

The experts agree that compared with Chicago, Milwaukee is a rather minor league syndicate operation.

"I doubt if the Wisconsin Mafia is organized enough to put the squeeze on anybody," one official here said. "In Chicago if anybody's got a lucrative deal, they just move in and take it."

Turning Point?

Pointing to the number of convictions and indictments of Mafia members throughout the country, lawmen say they hope the turning point in the war against organized crime has been reached.

Balistrieri's conviction is one of these. So is that of Alderisio, who himself is free on appeal from a four and a half year sentence on an extortion charge.

Balistrieri was convicted in September, 1967, of two counts of federal income tax evasion, sentenced to two years in prison and fined $10,000.

The conviction ended an internal revenue service investigation of many years. To defend himself, Balistrieri had a stable of attorneys headed by Walsh, a Chicago lawyer. Alderisio reportedly paid Walsh $85,000 recently — money advanced by the Chicago syndicate for Balistrieri's defense.

Hired D. C. Lawyer

After the conviction, Balistrieri appealed to the federal appeals court in Chicago. That court rejected the appeals and denied a rehearing. Balistrieri then hired a Washington lawyer, Edward Bennett Williams, to take his case to the United States supreme court. Williams is owner of the Washington Redskins and the attorney who defended Bobby Baker.

Williams has asked the supreme court to review Balistrieri's case. That request is pending.

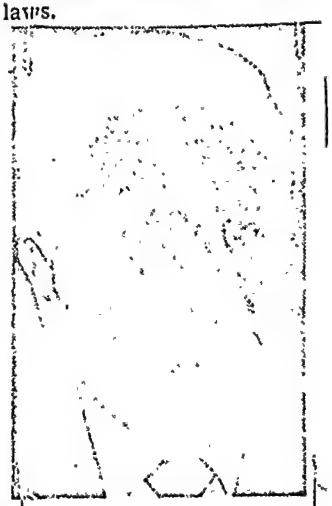
Meanwhile, Balistrieri, 50, of 3043 N. Shepard av., goes about his business — ostensibly only the Downtowner Cocktail lounge, 340 W. Wells st., a dingy bar which features vintage strip teasers.

Other Taverns Listed

However, nearly all police agencies believe he also is involved in the ownership of Gallagher's, 829 N. 3rd st., which caters to a young crowd; the Brass Rail, 744 N. 3rd st., which features a slightly better grade of stripper than the Downtowner, and was operated by a competitor until about nine months ago; the Ad Lib, 323 W. Wells st., where the main attraction is female impersonators, and the Scene, a tavern at 624 N. 2nd st. which often has big name entertainment.

Chief Breier and his predecessors, notably Howard D. Johnson, have sought to have the common council deny tavern licenses to persons and places they believe are too closely connected with Balistrieri.

In this area, however, Balistrieri has continued to lead the charmed life which over the years kept him free of substantial convictions until — as in the case of some notorious hoodlums — the "feds" got to him through the income tax laws.



Frank P. Balistrieri

The March 12, 1969, issue of the "Milwaukee Journal" contained the following article:

(Mount Clipping in Space Below)

McClellan Links Balistrieri to Crime

By JOHN W. KOLE
Journal Washington Bureau

Washington, D. C. – Milwaukee tavern owner Frank P. Balistrieri was identified on the senate floor Tuesday as a member of one of the "principal families" in organized crime's ruling Cosa Nostra.

Sen. John L. McClellan (D-Ark.), chairman of the senate rackets subcommittee, made the identification in a major speech in which he charged that the federal government's drive against organized crime "seemed to fall apart" after Robert F. Kennedy resigned as attorney general in 1964.

[Balistrieri, 50, of 3043 N. Shepard av., could not be reached at his home Wednesday for comment on McClellan's comments.

A woman who answered the telephone told a reporter he was not home and that "there is no point in relaying your message. He will have no comment."

[Some local officials, including Police Chief Harold A. Breier, have repeatedly denied that organized crime exists in Milwaukee. Breier said Wednesday: "It seems to me I have stated we have no evidence of existing organized crime."]

McClellan described the Cosa Nostra, also known as the Mafia, as "the confederation that today is dominant in organized crime everywhere."

He said the most influential "core groups" or "families" in the Cosa Notra operated in New York, New Jersey, Illinois, Louisiana, Michigan, Pennsylvania and Rhode Island.

The senator listed names of 22 men in the 22 "principal families of the Cosa Nostra" in his speech. One of the names was "Balistriari, Frank, Milwaukee, Wis."

Balistrieri's name was misspelled in the listing.

Subcommittee staff members refused Wednesday to disclose the source of the list.

"Rationally Designed"

"The family organization is rationally designed with an integrated set of positions geared to maximize profits and to protect its members — particularly its leadership — from law enforcement activities," McClellan said.

"Each family is headed by a 'boss' whose primary functions are the maintenance of order and the maximization of profit. Beneath each boss is an 'underboss.' He collects information for the boss; he relays messages to him and passes his instructions to underlings.

"On the same level with the underboss is the 'consigliere,' who is often an elder member of the family, partially retired, whose judgment is valued. Below him are the 'camporegime,' who serve either as buffers between top men and lower level personnel or as chiefs of operating units.

"As buffers, they are used to maintain insulation from the investigative procedures of the police. To maintain their insulation, the leaders avoid direct communication with the workers. All commands, information, complaints and money flow back and forth through buffers."

McClellan said organized crime in the United States received its greatest revenue from syndicated gambling, with the importation and distribution of narcotics ranking second.

Other important sources of revenue, he said, included loansharking and the infiltration of

legitimate businesses and unions.

The formal name of McClellan's group is the criminal laws and procedures subcommittee of the senate judiciary committee. McClellan noted that Kennedy once served as its chief counsel.

While Kennedy was attorney general from 1961 to 1964, McClellan said, the justice department's organized crime and racketeering section was expanded.

Program Drops Off

"When Bob Kennedy left the department of justice, the organized crime program seemed to leave with him," the senator said.

"The number of man-days in the field decreased from 1964 to 1967 by 84%. The number of man-days before grand juries decreased from 1963 to 1968 by 70%."

McClellan said that "no one actually dismantled" the organized crime drive after Kennedy left office, but that "no one took the trouble . . . to rebuild it either."

The senator said he was encouraged that President Nixon was preparing an expanded attack on organized crime.

Mostly in City

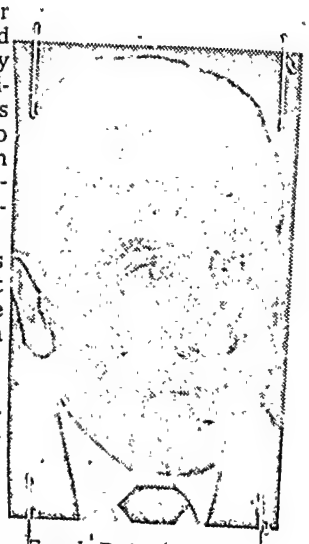
McClellan has introduced a comprehensive organized crime control act. Hearings on this bill and other proposals will start before his subcommittee next Tuesday. Wisconsin Atty. Gen. Robert Warren has submitted a package of suggestions to the subcommittee.

[Despite denials by Brcier and others, federal, state and even some city and county enforcement officers generally believe that Wisconsin's Mafia family numbers 40 to 50 and operates mainly in Milwaukee with some spillover into Racine and Kenosha.

[In an interview six years ago, Balistrieri insisted that there was no organized crime in the city and said he was a legitimate businessman.

[Balistrieri is president of the corporation which operates the Downtowner cocktail lounge, 340 W. Wells st.

He was convicted in 1967 of two counts of federal income tax evasion and was sentenced to two years in prison and fined $10,000. An appeal was denied. The United States supreme court has been asked to review the case. That request is pending.]



Frank P. Balistrieri

MI T-4 advised on March 13, 1969, that recent newspaper publicity has shown BALISTRIERI to be the boss of the Milwaukee La Cosa Nostra (LCN) family leaving no doubts in the minds of the readers that a LCN family does, in fact, exist in Milwaukee.

According to this source, members of the Milwaukee LCN family feel that BALISTRIERI brought this publicity on himself by his own actions due to the fact he cannot keep his mouth shut and his bragging seems to inflate his own ego, thus making himself feel important. The source was of the opinion the publicity made BALISTRIERI appear to be a "big man" and could possibly help him in making future business deals. This same publicity also hurt BALISTRIERI as some of the articles in the newspapers indicated the LCN family in Milwaukee does not function to the extent of LCN families in other parts of the country due to the inability of BALISTRIERI to maintain tight control over the members of the family, which has served to deflate BALISTRIERI's ego.

b7D

MI T-4 advised that if BALISTRIERI goes to prison the leadership of the Milwaukee family would possibly be handled by BALISTRIERI's brother, PETER FRANK BALISTRIERI, with the assistance of STEVE DE SALVO, who BALISTRIERI has used in the past as an inforcer.

MI T-5 advised on March 14, 1969, that recent newspaper articles concerning FRANK BALISTRIERI which have belittled his ability to handle the Milwaukee LCN family has made him look bad in the eyes of the members of the Milwaukee family. BALISTRIERI was upset over the front page newspaper article indicating he had been named as the head of a mafia family by Senator JOHN MC CLELLAN on the Senate floor.

MI T-1 said on April 25, 1969, that tradition would hold that the leadership of the Milwaukee LCN family [redacted] b7D serve as a consultant in the event STEVE DE SALVO and PETER BALISTRIERI had any problems with the LCN family members in Milwaukee while BALISTRIERI was in jail.

On May 16, 1969, MI T-5 advised that FRANK BALISTRIERI, in his request for the Supreme Court to review his conviction, admitted a close association with FELIX "MILWAUKEE PHIL" ALDERISIO, a known member of the Chicago LCN family. Informant noted that BALISTRIERI's association with ALDERISIO was given extensive publicity in local newspapers and would possibly hurt BALISTRIERI's nightclub business and cause additional pressure to be placed upon same by law enforcement authorities.

MI T-4 advised on May 23, 1969, that BALISTRIERI's admission of his close association with FELIX ALDERISIO was at ALDERISIO's suggestion and this admission did not come as a result of suggestions by BALISTRIERI. BALISTRIERI was hesitant to admit his association with ALDERISIO as in the past he was always able to deny association with known hoodlums. This source felt that BALISTRIERI's admission now adds weight to statements made in the past by Senator MC CLELLAN on the Senate floor identifying BALISTRIERI as the head of a "mafia" family in Milwaukee.

BUSINESS ENTERPRISES

On January 31, 1969, an application to the Milwaukee City Clerk was filed designating [redacted] Milwaukee. [redacted] b6 b7C

[redacted]

b6
b7C

The February 4, 1969, edition of the "Milwaukee Sentinel" contained the following article:

(Mount Clipping in Space Below)

Tavern Men Meet After 2 a.m. Close

By GENE CUNNINGHAM

Frank P. Balistrieri and operators and employes of three downtown taverns and strip spots have been gathering in the Ad Lib, 323 W. Wells st., after the 2 a.m. tavern closing hour.

The group, some of whom arrive carrying briefcases or zipper style pouches, includes employes or operators of the Brass Rail, 744 N. 3rd st.; the Downtowner, 340 W. Wells st., and Gallagher's, 829 N. 3rd st. All are within one block of the Ad Lib.

They and Balistrieri enter and leave the Ad Lib through a side door opening onto the alley along the east side of the building.

When they leave, Balistrieri, carrying a briefcase, crosses the alley to his Cadillac parked in the adjacent lot, usually

Balistrieri Porchetta

locks the briefcase in the trunk and then drives off alone.

Three nights last week, when Balistrieri did not arrive at the meeting, his nephew, Joseph Balistrieri, 1634 N. Jackson st., drove into the lot near the side door of the Ad Lib, got out and went in the building.

He emerged some time later carrying a briefcase that appeared to be the same type that Frank Balistrieri carries from the meetings.

Balistrieri and the others arrive separately. They usually get to the Ad Lib between 2:15 and 2:30 a.m. and leave any time from 2:45 to 3:30 a.m.

By state law and city ordinance, both "patrons" and "guests" are prohibited from entering or remaining on tavern premises between 2 a.m. and 6 a.m., the legal closing and opening hours on weekdays. However, the state law and city ordinance do not impose restrictions on persons who are not "guests" or patrons."

According to city records, Balistrieri has no financial interest in the Ad Lib.

In addition to Balistrieri, the after hours group at the Ad Lib includes Rudolph Porchetta, longtime Balistrieri employe, operator of the Brass Rail and agent for the Downtowner; the nephew, Joseph Balistrieri, a bartender at Gallagher's, and Joseph Maniaci, formerly a bartender at The Scene, now tending bar at the Downtowner.

Maniaci is listed as president of Mando Enterprises, Inc., the corporation operating the Ad Lib.

Gallagher's is operated by a corporation headed by Peter Balistrieri, Frank Balistrieri's brother. The Scene, now closed, also was operated by a corporation headed by Peter Balistrieri.

By law, an individual is prohibited from having a financial interest in more than two taverns.

In addition, a tavern license cannot be held by a person convicted of a felony (unless he has been pardoned), nor can such person be an officer or director of a corporation holding a tavern license.

Balistrieri currently is free on $15,000 bond pending an appeal to the United States supreme court of a federal conviction on income tax evasion.

He was sentenced to two concurrent two year terms and fined $10,000. An earlier appeal of his conviction was denied.

On record, Balistrieri has no interest in any of the four taverns. All four, however, are operated by longtime Balistrieri associates or relatives.

In the current city directory, Balistrieri is listed as a general contractor.

During his federal trial, his son, Atty. Joseph Balistrieri, testified that his father had a truck and did "odd jobs." On his son's college enrollment records, Balistrieri was listed as a "trucking contractor."

An article appearing in the February 4, 1969, edition of the "Milwaukee Journal" reflected a city building inspector on February 3, 1969, had threatened to halt work on a nightclub at 722 North Water Street being remodeled by JOSEPH P. BALISTRIERI, the son of FRANK BALISTRIERI, unless violations of the building code were corrected.

MI T-1 advised on March 13, 1969, that FRANK PETER BALISTRIERI opened his new nightclub called the King's IV, located at 722 North Water Street, Milwaukee, on the evening of March 7, 1969. The source noted that no invitations were extended to attend this opening; however, there was a good crowd in attendance. He stated that Milwaukee [redacted] b6 b7C and State Senator MARTIN J. SCHREIBER, were among those who were present at the opening. MI T-1 advised that only the first floor of the new restaurant was open for business and that work was still being performed on the second floor of the building, which was to be a supper club type of operation.

On April 11, 1969, MI T-2 advised that the noon luncheon business at BALISTRIERI's new bar and restaurant, the King's IV, was good, but that the evening business was poor. This source indicated BALISTRIERI already lost the chef who quit because of the long hours he was required to work. This club was being handled by BALISTRIERI [redacted] b6 b7C MI T-2 advised that ANGELO DI GIORGIO, whose name is on the liquor license for the King's IV, only came to the King's IV on occasion for luncheon.

The May 21, 1969, edition of the "Milwaukee Journal" contained an article, which, in part, reflected that the corporation operating the "Downtowner," a strip joint, was charged by State Beverage Tax Agents with possession of refilled or diluted liquor bottles. The corporation, Ben-Kay Incorporated, is headed by FRANK BALISTRIERI.

The June 5, 1969, edition of the "Milwaukee Sentinel" contained the following article:

(Mount Clipping in Space Below)

6 Taverns Face License Loss Threat

By GENE CUNNINGHAM

Six taverns operated by Frank P. Balistrieri, his relatives or associates could be without licenses unless taxes or liquor bills of the taverns are paid by June 30.

The six are Gallagher's, 829 N. 3rd st.; the Downtowner, 340 W. Wells st.; the Ad Lib, 323 W. Wells st.; Alfie's, 4126 N. Teutonia av.; the Brass Rail, 744 N. 3rd st., and The Scene, 624 N. 2d st.

The six taverns have been reported to the city clerk's office as being among a number in the city that have not paid 1968 taxes or have unpaid liquor bills of more than 30 days standing.

The state department of revenue, city officials and liquor wholesalers annually submit to the clerk's office a list of taverns whose taxes or liquor bills are unpaid.

If the taxes or bills are not paid by June 30, new liquor licenses for the establishments automatically are withheld, a spokesman in the clerk's office said.

Current tavern licenses expire June 30. New licenses for 1969-'70 go into effect July 1.

Reports to the clerk's office show that personal property taxes for 1968 are owed by all of the taverns except Alfie's, which reportedly owes liquor bills which must be paid before its license is issued.

In addition, the state has reported that the Brass Rail and Gallagher's owe state sales taxes for 1968.

Earlier this year, tax liens totaling more than $22,000 were in effect against three of the Balistrieri group's tavern operations.

At least three corporations formed by the Balistrieri group to operate taverns are in bad standing with the state for failure to file corporation reports.

One of the corporations, which operates the Downtowner, has gone 12 years without filing an annual corporation report with the secretary of state's office. The corporation is headed by Balistrieri.

CURRENT ACTIVITIES

MI T-1 advised on February 12, 1969, that FRANK BALISTRIERI was one of a large group of Milwaukee LCN family members who attended the wake for CHARLES ZARCONE, a Milwaukee LCN family member who died on January 30, 1969. The wake was held on January 31, 1969, at the Guardalabene and Amato Funeral Home, Milwaukee, Wisconsin.

On April 17, 1969, MI T-3 advised that FRANK BALISTRIERI was out of town during the period March 28, 1969, through April 2, 1969. BALISTRIERI visited his attorney in Washington, D. C. [redacted] New York City. BALISTRIERI returned from this trip with a $1,300 suade coat for his wife in an effort to smooth over the past domestic difficulties he has had with his wife. b6 b7C

MI T-1 advised on April 25, 1969, that FRANK BALISTRIERI attended the wake of the wife of IZZY TOCCO, an ex-bookmaker, on April 23, 1969, at the Guardalabene and Amato Funeral Home in Milwaukee.

MI T-1 stated that on the evening of April 24, 1969, BALISTRIERI, accompanied by STEVE DE SALVO and JIMMY JENNARO, went to Chicago for the purpose of seeing BALISTRIERI's attorney and also to visit some of the Chicago nightclubs.

FD-323 (Rev. 11-29-61)

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Milwaukee, Wisconsin
June 16, 1969

In Reply, Please Refer to File No.

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Milwaukee report of SA DANIEL E. BRANDT, dated and captioned as above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

0-20 (Rev. 7-27-67)

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

UPI-120
(BALISTRIERI)
WASHINGTON--THE SUPREME COURT TODAY ORDERED A NEW HEARING FOR FRANK PETER BALISTRIERI, DESCRIBED BY THE FBI AS "A MILWAUKEE HOODLUM," TO DETERMINE WHETHER HIS TAX EVASION CONVICTION WAS TAINTED BY ILLEGAL "BUGGING."
THE HIGH COURT REJECTED HIS APPEAL OF THE TAX CASE ON APRIL 21. BUT LATER DEFENSE ATTORNEY EDWARD BENNET WILLIAMS NOTIFIED THE COURT THAT HE HAD RUN ACROSS THE EXISTENCE OF AN ELECTRONIC SURVEILLANCE AT A CHICAGO PRESMISES INVOLVING EAVESDROPPING ON BALISTRIERI.
6/16--SW335PED

92-3116-17
NOT RECORDED
133 JUN 26 1969

51 JUN 27 1969 95

WASHINGTON CAPITAL NEWS SERVICE

SAC, Milwaukee (94-316) 6/19/69

Director, FBI (92-3116)

FRANK PETER BALISTRIERI, aka
AR

Enclosed for your information is a copy of a memorandum in response to petition for rehearing which was filed by the Department of Justice in the United States Supreme Court in the captioned matter.

Enc.

MAILED 4
JUN 19 1969
COMM-FBI

JGL:jfp
(4)

REC- 88 92-3116-580

10 JUN 20 1969

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Holmes
Gandy

1 ENCLOSURE
1 ENCLOSURE ATTACHED

19 JUN 23 1969

MAIL ROOM TELETYPE UNIT

146

[redacted]

[redacted]

92-3116-580

ENCLOSURE

No. 1070

In the Supreme Court of the United States

OCTOBER TERM, 1968

FRANK PETER BALISTRIERI, PETITIONER

v.

UNITED STATES OF AMERICA

MEMORANDUM IN RESPONSE TO PETITION FOR REHEARING

ERWIN N. GRISWOLD,
Solicitor General,
Department of Justice,
Washington, D.C. 20530.

In the Supreme Court of the United States

OCTOBER TERM, 1968

No. 1070

FRANK PETER BALISTRIERI, PETITIONER

v.

UNITED STATES OF AMERICA

MEMORANDUM IN RESPONSE TO PETITION FOR REHEARING

This memorandum is submitted pursuant to the order of this Court of May 26, 1969, requesting the Solicitor General to file a response to the petition for rehearing.

On receipt of the petition for rehearing in this case, we caused a further investigation to be made concerning possible electronic surveillance affecting petitioner. We have been advised that petitioner Balistrieri was overheard during the course of an electronic surveillance of the premises at 645 North Michigan Avenue. We were not aware of this overhearing at the time the government's brief in opposition to the petition for writ of certiorari was filed.

351-944—69

In these circumstances, we believe that it would be appropriate for the Court to vacate the order denying certiorari, grant the petition, vacate the judgment below and remand the case to the district court for further proceedings.

Respectfully submitted.

ERWIN N. GRISWOLD,
Solicitor General.

JUNE 1969.

U.S. GOVERNMENT PRINTING OFFICE: 1969

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

JUN 19 1969

TELETYPE

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

FBI WASH DC

FBI SPRNGFLD

520 PM 6/19/69 URGENT CEK

TO DIRECTOR (92-3116)

FROM SPRINGFIELD (92-209)

FRANK PETER BALISTRIERI, AR. OO: MILWAUKEE.

AUSA [redacted] SDI, SPRINGFIELD, ILLINOIS, TODAY ADVISED THE US SUPREME COURT TODAY ORDERED JUDGE OMER POOS, USDJ, SPRINGFIELD, ILLINOIS, TO CONDUCT A HEARING IN THIS CASE TO DETERMINE WHETHER THE SUBSEQUENT ELECTRONIC EAVESDROPPING COULD HAVE IN ANY WAY EFFECTED THE OUTCOME OF THE TRIAL HELD IN SPRINGFIELD. JUDGE POOS TODAY ORDERED THE NECESSARY NOTICES TO BE FORWARDED TO ALL INTERESTED PARTIES AND THE HEARING HAS BEEN SCHEDULED FOR TEN AM JULY THIRTY, NEXT, AT SPRINGFIELD.

b6
b7C

ABOVE IS FOR INFORMATION OF BUREAU, CHICAGO AND MILWAUKEE.

AIRMAIL COPY SENT CHICAGO AND MILWAUKEE.

END

MKA

FBI WASH DC

92-3116-581

REC-134

EX.-117

JUN 23 1969

51 JUN 27 1969

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. Gale

DATE: 7/7/69

FROM : T. J. McAndrews

SUBJECT: FRANK BALISTRIERI
ANTI-RACKETEERING

In connection with the forthcoming electronic surveillance hearing now scheduled for July 30, 1969, in Springfield, Illinois, I was in touch with Departmental Attorney [redacted] this date. [redacted] desired to verify the dates of installations of [redacted] microphone in Chicago, and the microphone which we had monitored on [redacted] Following a review of the file, these dates were furnished [redacted]

b6
b7C
b7E

At that time, it was pointed out to him that we had provided him with appropriate logs wherever Balistrieri had actually been monitored, but had not made available to him those instances where Balistrieri might have been mentioned. [redacted] indicated that he did not desire this type information at this time.

b6
b7C

ACTION:

For record purposes.

1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

McA:mfd
(4)

NINE

REC-31

92-3116-5-82

D JUL 10 1969

51 JUL 22 1969

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 7/31/69

FROM : SAC, NEWARK (92-571)

SUBJECT: FRANK BALISTRIERI, aka
AR

Re Chicago teletype to Bureau, 5/29/69.

Enclosed for the NY and Philadelphia Offices is one copy each of referenced teletype.

The 1968 Paterson Cross Reference Telephone Directory lists the following firms at 86 East 30th St., Paterson, with the same telephone number 279-6400:

DABS Auto Leasing
FAS System
Federal Auto Systems

On 7/1/69 [redacted] Paterson, NJ, Post Office, advised that he recalled that within the past year, post office inspectors conducted some type of fraud investigation on the above firms. He also advised that above firms were in the process of closing out their business and were to leave by June 30, 1969. b6 b7C

On 7/1/69, a telephone call to the above telephone number revealed that the line had been disconnected.

On 7/1/69, inspector [redacted] Post Office Building, Paterson, NJ, advised that approximately ten months ago they had a mail cover [redacted] b6 b7C b7E

2-Bureau
2-Chicago
2-Milwaukee (94-316)
2-Philadelphia (Encl. 1)
2-New York (92-1020) (Encl. 1)
3-Newark
SAL/maj
(13)

REC-78 92-3116-583

ST-106

5 AUG 4 1969

IRVINE

54 AUG 14 1969

5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

[redacted] Paterson, NJ. Their investigation showed the following two individuals were connected with those firms: b6 b7C b7E

[redacted]

He believed those firms dealt in car sales and that they appear to be auto brokers. Their investigation showed that they sent literature to various garages offering to sell them car dealerships for $450.00. He recalled those firms were connected with CAP, Auto Plans, Inc., of Milwaukee, and that they had offices in Cleveland and Paterson, and an answering service in Fort Lauderdale, Fla.

[redacted] indicated that Postal Inspector [redacted] b6 b7C located at the William Penn Post Office Annex, Philadelphia, Penn., was in charge of the above fraud case, and that all the data in that investigation would be in the possession of [redacted]

Pretext inquiries at 74 East 30th St., (Jersey Electronics Distributors) revealed that the property at 80 East 30th St., which was purchased 6/27/69, was purchased by Ace Reproduction Service, 38 Marshall St., Paterson, NJ. [redacted] was listed as [redacted] for the Ace Reproduction Service. b6 b7C

Since [redacted] advised that the subject and his associates [redacted] b7D

If any information is obtained which shows the criminal element is involved in that company, Chicago and Milwaukee will be advised.

On 7/11/69 [redacted] Paterson, NJ, advised that [redacted] b6 b7C b7D

[redacted] b6 b7C b7D

LEADS:

NEW YORK

AT NEW YORK, NY. Will check indices and public directories on DABS Auto Leasing and Federal Auto Systems, [redacted] NYC, address for DABS. b6 b7C

PHILADELPHIA

AT PHILADELPHIA, PENN. Philadelphia is requested to contact Postal Inspector [redacted] at the William Penn Post Office Annex, to obtain results of their investigation on the firms listed at [redacted] Paterson, NJ. b6 b7C b7E

COMMUNICATIONS SECTION
FBI
JUL 28 1969
TELETYPE

FBI WASH DC

FBI MILWAUK

3:00 PM URGENT 7-28-69 MEW

TO DIRECTOR (92-3116)

FROM MILWAUKEE (94-316) P 2 P

Also know as Anti-racketeering

FRANK PETER BALISTRIERI, AKA; AR; OO: MILWAUKEE.
Office of Origin

NEWSPAPER ARTICLE APPEARING IN JULY TWENTY SIX LAST ISSUE OF "MILWAUKEE SENTINEL" REFLECTS SUBJECT'S ATTORNEY, MAURICE J. WALSH, HAS FILED MOTION FOR NEW TRIAL WITH USDC
U. S. District Court
SPRINGFIELD, ILL., BASED ON "NEW EVIDENCE" REGARDING SOURCES OF BALISTRIERI'S INCOME ALLEGEDLY KNOWN BY THE GOVERNMENT, BUT CONCEALED FROM JURY DURING ORIGINAL BALISTRIERI TRIAL.

MOTIONS WERE ALSO FILED FOR PRODUCTION OF EAVESDROPPING RECORDS AND FOR PRODUCTION OF RECORDS REGARDING TAX LEVY AGAINST PETER BALISTRIERI, SUBJECT'S BROTHER, ON AUGUST SEVEN, SIXTY EIGHT, BY IRS, INTERNAL REVENUE SERVICE MILWAUKEE, ALONG WITH SIXTY ONE INCOME TAX RETURNS FOR PETER BALISTRIERI [redacted] b6 b7C

[redacted]

EX-100 REC-73 92-3116-584

MOTIONS ARE SCHEDULED TO BE HEARD JULY THIRTY NEXT IN UNITED STATES DISTRICT COURT USDC, SPRINGFIELD, ILL.

Top Echelon Informant

MILWAUKEE TE INFORMANTS CONTACTED AND FURNISHED NO [redacted]

3 AUG 4 1969

54 AUG 13 1969

MR. DELOACH FOR THE DIRECTOR

PAGE TWO

INFORMATION REGARDING THESE MOTIONS.

United States Attorney EASTERN DISTRICT WISCONSIN

COPIES OF ABOVE MOTIONS OBTAINED FROM USA, EDW, ARE

BEING IMMEDIATELY FORWARDED TO BUREAU UNDER SEPARATE COVER.

G AIR MAIL AM COPY TO SPRINGFIELD FOR INFORMATION.

END

~~LAST WORD PAGE 1 LINE 4 IS USDC~~

CXB

FBI WASH DC

CC: MR. GALE

(Rev. 5-22-64)

FBI

Date: 8/29/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL REGISTERED MAIL
(Priority)

TO: Director, FBI (92-3116)

FROM: SAC, Milwaukee (94-316)

SUBJECT: FRANK PETER BALISTRIERI
aka
AR
CO: Milwaukee

On 8/15/69, [redacted] advised that in regards to BALISTRIERI's recent appeal, should BALISTRIERI go to jail, [redacted] b7D

[redacted] Informant stated this [redacted]

Those persons, informant indicated, who had been contacted [redacted] b6 b7C b7D

[redacted]

585

2 - Bureau (92-3116) (RM)
1 - Chicago (Info) (RM)
2 - Milwaukee (94-316)

WJS/dsw
(5)

8 SEP 1 1969

NOTE

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

SEP 9 1969

On 8/29/69 [redacted] again advised there have been no changes in the plans of the above-listed individuals [redacted] should BALISTRIERI go to jail. b7D

Bureau and Chicago will be kept advised of further developments in this matter and no action is being requested of Chicago at this time.

SHOULD THERE BE ANY DISSEMINATION OF THE ABOVE INFORMATION, IT SHOULD BE APPROPRIATELY PARAPHRASED TO FULLY PROTECT THE IDENTITY OF THIS INFORMANT.

July 29, 1969

SPECIAL INVESTIGATIVE DIVISION

Frank Peter Balistrieri, La Cosa Nostra boss, Milwaukee, sentenced in September, 1967, to two years on Federal Income Tax case in which Bureau microphone coverage was disclosed and logs turned over to court and defense.

On appeal to Supreme Court, case was returned to District Court for hearing concerning monitoring of a brief conversation by Balistrieri when he visited [redacted] b6 b7C b7E on whom we had coverage. This conversation concerned [redacted] and did not relate to the income tax case.

Balistrieri's motion for new trial based on alleged new evidence regarding his income, together with above overhearing, to be heard by Federal District Court at Springfield, Illinois, July 30, 1969.

Springfield and Milwaukee Offices are following closely and will keep Bureau fully advised.

JGL:seg

FD-36 (Rev. 5-22-64)

FBI

Date: 7/28/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIRMAIL
(Priority)

TO : DIRECTOR, FBI (92-3116)

FROM : SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: MILWAUKEE

ReMitel, 7/28/69.

Enclosed for the Bureau are copies of three motions filed by subject's attorney in United States District Court, Springfield, Illinois, referred to in reMitel. Copies of these motions were obtained 7/28/69 from Assistant United States Attorney [redacted] Eastern District of Wisconsin, Milwaukee. [redacted] indicated it was his intention to attend the BALISTRIERI hearing in Springfield on 7/30/69 for the possibility of aiding in the Government's argument against the granting of the above three motions.

b6
b7C

2 - Bureau (92-3116) (Enc. 3) (AMSD-RM)
1 - Milwaukee (94-316)
DEB/kdb
(3)

ENCLOSURE
"ENCLOSURE ATTACHED"

REC-63 92-3116-586

5 JUL 30 1969

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

53 SEP 12 1969

ENCLOSURE (3) to (LET [illegible]) [illegible]

TO ~~SAC~~ DIRECTOR, FBI

DATED: 7/28/69

RE: FRANK PETER BALISTRIERI, aka

MI FILE # 94-316

[illegible] # 92-3116

92-3116-586

RECEIVED
JUL 25 1963
United States Attorney
Eastern District of Wisconsin

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA, Plaintiff, v. FRANK PETER BALISTRIERI, Defendant.	CRIMINAL NO. 6602

MOTION FOR PRODUCTION

Now comes the defendant, FRANK PETER BALISTRIERI, by his attorney, MAURICE J. WALSH, and moves for production of materials necessary to establish matters urged in his motion for new trial as follows:

1. All records, reports, memoranda, and investigative files and reports concerning and relating to a Levy issued against property of Peter Balistrieri, 1634 N. Jackson Street, Milwaukee, Wisconsin 53202, on August 7, 1968 by Edgar H. Boettcher, Revenue Officer, which Levy bore the following figures: Tax Form No. 941, Period Ended 1/60 thru 4/60 (100% Penalty); Date of Assessment, 3/13/64; Identifying Number, 03 290600-64; Unpaid Balance of Assessment, $3062.93; Statutory Additions, $829.00; Total, $3891.93.

2. The income tax returns, or copies thereof, of Peter Balistrieri and of Jennie Alioto for the calendar year 1961, together with accompanying schedules. These copies are believed

to be in the files of this case in the office of the United States Attorney or the Internal Revenue Service. These documents are necessary to establish facts described and alleged in the defendant's motion for new trial.

3. The defendant submits that it is obvious from a reading of his motion for new trial that the documents requested are pertinent to, material and necessary for the proof of the facts alleged in his motion for new trial.

WHEREFORE, it is requested that the Court order the United States to produce such documents forthwith or substantially before hearing on the motion for new trial, so that the defendant may have knowledge of them and be prepared at the time of hearing.

Respectfully submitted,

FRANK PETER BALISTRIERI, Defendant,

By:

MAURICE J. WALSH,
One of His Attorneys.

RECEIVED
JUL 25 1969
United States Attorney
Eastern District of Wisconsin

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff,

v.

FRANK PETER BALISTRIERI,

Defendant.

CRIMINAL NO. 6602

MOTION FOR NEW TRIAL

Now comes the defendant, FRANK PETER BALISTRIERI, by his attorney, MAURICE J. WALSH, and moves the Court for a new trial in this cause on the following ground:

1. That since the trial and the hearing of evidence and the verdict, the defendant has learned of evidence which, if known and submitted to the jury, would have caused a different result, and is of such character and substance that no one can say reasonably that it would not have induced a verdict of Not Guilty, if known to the jury.

2. The defendant believes, on reasonable grounds, that this evidence was known to the Government throughout the time of trial and was concealed; or in any event, was not made known to the Judge, the jury or the defendant, contrary to the principles of Brady v. Maryland, 373 U.S. 83, 87; 10 L.Ed. 2d 215, 218.

3. The verdict in this case was returned on March 23, 1967. On Friday, August 18, 1968, there appeared in the Milwaukee Journal a news item to the effect that a Cadillac automobile

had been seized from Peter Balistrieri on August 8, 1968, by the Internal Revenue Service, based on a lien for unpaid withholding taxes assessed against him as a principal officer of Tower Tavern, 720 N. 11th Street, Milwaukee.

Inquiry at the Internal Revenue Office in Milwaukee, has developed that a report in 1964, by an investigator Hinton Cummings, showed Peter Balistrieri to be chief stockholder of the Tower Tavern and that records in 1958 showed Peter and his wife Mary were President and Secretary-Treasurer, respectively.

The assessment was for taxes forthe quarter "1/60 thru 4/60", part of the taxable periods for which the defendant was prosecuted.

Apparently the Bureau of Internal Revenue had fully concluded in 1964, that the defendant was not the principal or an officer or a stockholder of Tower Tavern.

Tower Tavern was shown, over objection, on Government Exhibit 450 and other exhibits, to be an asset of the defendant throughout the years in question. No allowance was made for funds clearly coming from Benedetta Balisprieri for the purchase of Tower Tavern.

Government Exhibit 450 and witness Dyas' testimony were inaccurate and misrepresentative of facts known to the Internal Revenue Service forwhich he worked. His testimony was two years after Cummings' report and the conclusion on facts by the Internal Revenue Service, that Tower Tavern was under the control

of the defendant's brother.

In addition to this damage, the prosecutor argued that Tower Tavern was one of the probable sources of income to the defendant, while there was no evidence of it, and after the government had determined that Peter Balistrieri owned and controlled Tower Tavern, and assessed him on that basis.

The defendant appears to be a victim of concealed evidence which could have vitally affected the quality of Dyas' evidence, and which would have clearly contradicted the prosecutor's argument. It now appears that not only was there no evidence to support the prosecutor's argument, but that undisclosed evidence in the government's possession and knowledge would have disproved the prosecutor's and agent-witness Dyas' statements regarding Tower Tavern, as they appear at A.227-228, and in Government Exhibit 450.

This concealment of evidence on the part of the government requires reversal of the defendant's conviction, Brady v. Maryland, 373 U.S. 83, 87; 10 L.Ed. 2d 215, 218.

Copy of an item of the "Milwaukee Journal" for August 16, 1968 and of a levy against Peter Balistrieri in the foregoing matter are attached as Exhibits "A" and "B".

This matter was called to the attention of the United States Court of Appeals by the Reply Brief of Frank Peter Balistrieri in case No. 16639, but received no consideration from said Court in its opinion or otherwise.

and it cannot be said with certainty that the verdict would not have been different. Indeed, the computations of the Government's tax expert submitted to the jury would necessarily have been affected.

5. At the time of hearing of this motion, the defendant will produce competent evidence of the facts recited.

WHEREFORE, the defendant requests the entry of an order granting a new trial in this cause on the ground that new evidence since the trial and verdict has been brought to the attention of the Court, which evidence might well have affected the verdict, if known to the jury; and which evidence, if made known to the defendant and his counsel, would have been of material assistance in the defense, Brady v. Maryland, 373 U.S. 83, 87, 10 L.Ed. 2d, 215, 218.

Respectfully submitted,

FRANK PETER BALISTRIERI, Defendant,

By:

MAURICE J. WALSH,
One of His Attorneys.

4. One of the highly contested matters of fact before the jury was the liability of Frank Peter Balistrieri for tax due on the income from sales of scrap metal through an organization known as Midwest Scrap Metal Company. The discovery of this "source" of unreported income was a highly debated question and was inextricably bound into the determination of guilt or innocence and affected the credibility of the defendant's defense and the plausibility of the arguments of his counsel.

By reason of recently discovered evidence, insofar as this defendant and his counsel are concerned, it can now be demonstrated that the income from the Midwest Scrap Metal Company was not the income of the defendant, and was in fact the income of Jennie Alioto and Peter Balistrieri, each of whom, in income tax returns, filed for the year 1961 and in the possession of the United States since 1962, and during the trial, reported, respectively, one-half of the total income of the Midwest Scrap Metal Company. The amounts are similar to the amounts charged to the defendant in the accounting calculations of the Government's accounting expert. These tax returns of Jennie Alioto and Peter Balistrieri were in the possession of the United States throughout the trial, and it is believed by the defendant that they were known to certain agents for the United States.

It is obvious that had it been made known to the jury that persons other than the defendant had claimed and reported as their income, the profit produced from sales of the Midwest Scrap Metal Company, the effect would have been substantial,

EXHIBIT "A"

10 Friday, August 16, 1968 THE MILWAUKEE JOURNAL

IRS Seizes Cadillac for Back Taxes

A Cadillac and its contents belonging to Peter F. Balistrieri, Milwaukee nightclub owner, have been seized by the internal revenue service for alleged nonpayment of federal taxes.

The property, which was seized Aug. 8, will be sold at public auction Sept. 5 in the Downer garage, 2522 E. Webster pl., according to the sale notice.

On May 22, IRS filed a $3,062 lien for unpaid employe withholding taxes against Balistrieri, 1634 N. Jackson st., as principal officer in Tower Tavern, 720 N. 11th st., a tavern which no longer exists. Balistrieri now operates Gallagher's, 829 N. 3rd st.

IRS said the property seized included a 1966 Cadillac de Ville four door hardtop, a bowling ball and bag and an 8 millimeter movie camera.

Balistrieri could not be reached Friday for comment.

EXHIBIT "B"

Form 668-B (Rev. May 1967) | US Treasury Department Internal Revenue Service | **Levy**

Due From

Peter Bolistrieri
1634 N.Jackson Street
Milwaukee,Wisconsin-53202.

Originating Internal Revenue District (City and State)

Milwaukee,Wisconsin

Tax Form Number	Period Ended	Date of Assessment	Identifying Number	Unpaid Balance of Assessment	Statutory Additions	Total
941	1/60 thru 4/60 (100% Penalty)	3/18/64	03 290600-64	$ 3062.93	$ 829.00	$ 3891.93
					Total Amount Due >	$ 3891.93

There is now due, owing, and unpaid with respect to the above-named account, the amounts set forth herein for internal revenue taxes for which notice and demand has been made for payment. Section 6331, Internal Revenue Code, authorizes collection of taxes by levy upon all property or rights to property of a taxpayer (except property that is exempt under section 6334) or on which the lien provided by section 6321 exists. Therefore, under the provisions of section 6331, so much of the property or rights to property, either real or personal, as may be necessary to satisfy the unpaid balance of assessment set forth herein together with additions provided by law, including fees, costs, and expenses of this levy, are hereby levied upon in order to satisfy the taxes and additions.

Dated at Milwaukee,Wisconsin this 7 day of August 1968

Signature: Eager H. Boettcher

Title: Revenue Officer

Form 668-B (rev. 5-67)

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff,

v.

FRANK PETER BALISTRIERI,

Defendant.

CRIMINAL NO. 6602

MOTION FOR PRODUCTION OF SURREPTITICUSLY AND ILLEGALLY OBTAINED EAVESDROPPING MATERIAL.

Now comes the defendant, FRANK PETER BALISTRIERI, by MAURICE J. WALSH, his attorney, and moves the Court for production of eavesdropping records as follows:

A. Eavesdropped conversations by the defendant existing in any agency of the United States, together with records referring thereto and all communications concerning such material between such agencies, agents and lawyers for the Government including so-called "Air-Tele", a form of communication practiced by the Department of Justice in the Federal Bureau of Investigation and otherwise for the communication of illegal eavesdropped information from one agent to another or from an agent to attorneys. It is further requested that the production include all files and material characterized by the code name "Juno" indicating the surreptitious character of such information and that it probably emanated from an illegal source.

B. The same records insofar as they apply to any place of the defendant or his co-defendants or alleged co-conspirators in which electronic eavesdropping by surreptitious and illegal methods occurred.

C. The same records with regard to any surreptitious or illegal eavesdropping of any agents, attorneys, attorneys in fact and employees of the defendant.

D. The production of all eavesdropping material which has heretofore been submitted to any Court involved in this case for in camera inspection so that the defendant may know the nature of the material and make diligent representations concerning it. This request is without regard to any determination by the Department of Justice or by any Court that the material does not relate to the conviction since it is obvious that the only intelligent judgment of this matter can be made by the defendant and his counsel.

E. Receipt is acknowledged of a letter dated July 15, 1969 over the signature of Fred G. Folsom enclosing purported copies of extracts of a purported "log" of conversations and a meeting. With regard to this "mike" and the logs emanating therefrom, the defendant requests that production of the entire log be ordered, and that all surrounding records showing the installation, maintenance record of overhearings including index cards, property or microphone records and tapes, pencil notes, Air-Tels and other communications referring to or based

upon the eavesdropping conversations and the activity of installation and monitoring involved.

It is requested that the Court enter an order fixing the time and place at which such material must be produced by the United States Attorney, and that such production be ordered to occur sufficiently prior to any further proceedings in this case so that the defendant may examine the material produced, investigate its validity, authenticity and truth, and make further motions for the setting of a hearing in this cause.

Respectfully submitted,

FRANK PETER BALISTRIERI, Defendant,

By:

MAURICE J. WALSH,
One of His Attorneys.

FD-36 (Rev. 5-22-64)

FBI

Date: 8/1/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL
(Priority)

TO: DIRECTOR, FBI (92-3116)

FROM: SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: Milwaukee

Re Milwaukee teletype and airtel to Bureau, 7/28/69 and SI tel call this date.

The following information regarding proceeding during a hearing held at USDC, Springfield, Illinois, 7/30/69, before Federal Judge OMER C. POOS, in the IRS income tax case regarding BALISTRIERI, was furnished on 8/1/69, by [redacted] AUSA, EDW, Milwaukee and [redacted] IRS, Intelligence Division, Milwaukee, who both attended the hearing: b6 b7C

Sometime prior to the hearing [redacted] Departmental Attorney wrote a letter to MAURICE J. WALSH, BALISTRIERI's attorney, and enclosed copies of two pages of an FBI electronic surveillance log covering the surveillance of [redacted] which concerned BALISTRIERI. This letter pointed out to WALSH that they had gone over [redacted] logs thoroughly in other recent court cases and that he [redacted] would make available the necessary Bureau personnel to testify at the BALISTRIERI hearing regarding the surveillance log, if so desired by WALSH. This letter was never acknowledged by WALSH. b6 b7C b7E

3 - Bureau (92-3116) (RM)
1 - Chicago (92-414) (Info) (RM)
1 - Springfield (92-209) (Info) (RM)
2 - Milwaukee
DEB:duz
(7)

REC-49 92-3116-587

22 AUG 4 1969

EX. 10

54 SEP 15 1969

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

FD-36 (Rev. 5-22-64)

FBI

Date:

Transmit the following in _____
(Type in plaintext or code)

Via _____ _____
(Priority)

MI 94-316

During the hearing WALSH was given two pages of FBI logs regarding [redacted] surveillance which directly concerned BALISTRIERI, WALSH argued to review the entire two volumes of [redacted] logs to determine if other conversations of BALISTRIERI were monitored. b7E

Judge OMER C. POOS ruled that he would review the [redacted] logs and would furnish WALSH with any other logs regarding BALISTRIERI found therein. Judge POOS also commented that after reading the logs regarding BALISTRIERI that they did not appear to affect his conviction. b7E

POOS continued the hearing until 10/9-10/69, and WALSH indicated he would subpoena SA [redacted] SE (FNU) [redacted] (phonetic) of the Chicago Division, a Bureau supervisor from Washington, handling electronic surveillance records, and a supervisor from IRS, Washington, handling IRS electronic surveillance records. b6 b7C

Judge POOS also indicated he did not think there was anything to the other motions as recently filed by WALSH and as furnished to the Bureau by referenced airtel, but that he would rule on all motions during the October hearing.

No further investigation being conducted in this regard by Milwaukee. Milwaukee will keep the Bureau posted on any additional developments in this regard.

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

FBI WASH DC

7

FBI MILWAUK

721\ PM URGENT 9/11/69 TJL

TO: DIRECTOR (92-3116)

FROM* MILWAUKEE (94-316)

FRANK PETER BALISTRIERI, AKA; AR; OO: MI

THE SEPTEMBER ELEVEN INSTANT EDETION OF THE MILWAUKEE SENTINEL CARRIED AN ARTICLE REFLECTING ALFIE'S, INC., A CORPORATION OPERATING ALFIE'S TAVERN, MILWAUKEE, WIS., WAS ORDERED DISSOLVED SEPTEMBER TEN LAST BY A DANE COUNTY CIRCUIT JUDGE. A DEFAULT JUDGMENT WAS GRANTED TO THE STATE ATTORNEY GENERAL AFTER THE DEFENDANT FAILED TO FILE AN ANSWER TO A PREVIOUS CHARGE IN THE ALLOTED TIME.

ALFIE'S IS ONE OF SEVEN OR MORE MILWAUKEE TAVERNS OPERATED BY FRANK BALISTRIERI OR HIS RELATIVES AND ASSOCIATES.

ATTORNEY GENERAL ROBERT W. WARREN ADVISED HIS OFFICE WOULD NOW FILE SUIT IN MILWAUKEE ASKING ALL ASSETS OF THE CORPORATION BE LIQUIDATED.

IT IS NOTED LARGE VOLUME OF INFORMATION REGARDING THE CORPORATE SETUP OF VARIOUS TAVERNS IN WHICH BALISTRIERI

END PAGE ONE

EX-103

REC 11 92-3116-588

SEP 15 1969

59 SEP 19 1969

WAS ASSOCIATED AS UNCOVERED DURING BUREAU INVESTIGATION HAD BEEN DISSEMINATED FROM TIME TO TIME TO THE STATE ATTORNEY GENERAL'S OFFICE.

ON SEPTEMBER ELEVEN INSTANT, [redacted] b6 b7C INVESTIGATOR, WIS. STATE ATTORNEY GENERAL'S OFFICE, ADVISED INVESTIGATIONS INTO THE CORPORATE SETUP AND BALISTRIERI'S INVOLVEMENT IN THE SEVEN TAVERNS IN MILWAUKEE HAD RESULTED IN THE DISCOVERY OF OVER TWO HUNDRED AND SEVEN SEPARATE VIOLATIONS OF STATE CORPORATION AND LIQUOR LAWS. STATE INVESTIGATIONS ALSO DETERMINED THESE TAVERNS WERE FOURTEEN THOUSAND DOLLARS IN THE ARREARS IN PAYMENT OF PAST DUE LIQUOR BILLS, WHICH IS IN VIOLATION OF STATE LIQUOR LAWS.

[redacted] ADVISED THE STATE ATTORNEY GENERAL'S OFFICE INTENDS TO PURSUE THESE VIOLATIONS IN AN EFFORT TO DISRUPT BALISTRIERI'S TAVERN OPERATIONS IN MILWAUKEE. [redacted] b6 b7C EXPECTED ADDITIONAL LOCAL PUBLICITY WOULD BE FOURTHCOMING DURING THE IMMEDIATE FUTURE CONCERNING LEGAL ACTION BY THE STATE ATTORNEY GENERAL'S OFFICE AGAINST BALISTRIERI'S TAVERNS. ACCORDING TO [redacted] INFORMATION PREVIOUSLY FURNISHED BY FBI MILWAUKEE HAS

UNDOUBTEDLY CONTRIBUTED SUBSTANTIALY IN THEIR INVESTIGATION.

THE BUREAU WILL BE ADVISED REGARDING THIS SITUATION AS IT DEVELOPS.

END.

FRT
FBI WASH DC

9/23/69

Airtel

To: SACs, Chicago - Enc. (2)
Milwaukee - Enc. (2)
Springfield - Enc. (2)

From: Director, FBI

FRANK PETER BALISTRIERI
AR

Enclosed for each office are two copies of a self-explanatory memorandum from the Department dated 9/22/69 requesting that Special Agent [redacted] and Special Employee [redacted] be available for hearing concerning electronic surveillance in the captioned matter scheduled to be held on 10/9 - 10/69 in Springfield, Illinois. These employees should be available at the time and place requested in the Department's memorandum.

b6
b7C

For your information, Special Agent John G. Leggett has been designated as the representative from Bureau Headquarters to testify that all of the FBI electronic surveillance material in which this defendant was overheard has been produced.

MAILED 20
SEP 23 1969
COMM-FBI

Milwaukee immediately recheck files and record of previous proceedings in this case to verify that all electronic surveillance material in which subject was overheard has been produced and advise Bureau.

ST-109
REC- 51 92 - 6314-589

Springfield immediately forward to Bureau transcript of testimony of all present and former Bureau personnel in previous electronic surveillance hearing in this matter.

6 SEP 24 1969

NOTE: The Department has requested FBI testimony in connection with a hearing concerning FBI electronic surveillance of the subject scheduled for 10/9 - 10/69, Springfield, Illinois. Balistrieri has been convicted of Federal income tax violation and his case has been remanded by the United States Supreme Court to the District Court for hearing on electronic coverage matters.

JGL:jfp
(8)

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

51 SEP 30 1969

MAIL ROOM ☐ TELETYPE UNIT ☐

(Rev. 5-22-64)

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI

Date: 9/29/69

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIRMAIL
(Priority)

TO: DIRECTOR, FBI (92-3116)

FROM: SAC, SPRINGFIELD (92-209) - P -

SUBJECT: FRANK PETER BALISTRIERI
AR

Re Bureau airtel dated 9/23/69.

Enclosed for the Bureau and Milwaukee is one copy of the testimony given by SA [redacted] in connection with the trial of United States of America vs. FRANK PETER BALISTRIERI.

b6
b7C

A review of the transcript of all hearings in connection with the trial of the subject revealed that the enclosed testimony is the only public record of any Bureau personnel presently employed or previous employed. According to United States Attorney FRANK J. VIOLANTI, Southern District of Illinois, Springfield, Illinois, and Clerk of the Court, Southern District of Illinois, Springfield, Illinois, a portion of the testimony given was sealed in his presence and is in the custody of the 7th Circuit Court of Appeals, Chicago, Illinois. Mr. VIOLANTI advised that this testimony concerned electronic eavesdropping performed by FBI personnel and was evidence taken on 10/17/66 and was ordered impounded by Judge OMER POOS on 10/17/66 at Springfield, Illinois

ENC. BEHIND FILE
ENCLOSURE

2 - Bureau (92-3116) (Enc. 1) (RM)
2 - Milwaukee (92-316) (Enc. 1) (RM)
2 - Springfield (92-209)
BJG:jah
(6)

EX-102

REC-86 92-3116-590

22 OCT 1969

NITR

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

57 OCT 16 1969

FD-350 (Rev. 7-16-63)

Cost

(Mount Clipping in Space Below)

Balistrieri Sues Federal Agents

Frank P. Balistrieri, Milwaukee night spot operator, and his former bookkeeper filed separate lawsuits Monday seeking a total of $2,750,000 from federal agents and others who, they charged, illegally spied and eavesdropped on their activities.

Balistrieri charged that federal agents, along with two Wisconsin Telephone Co. workers, concealed a microphone in his office at 2559-61 N. Downer av. on Mar. 9, 1964, and eavesdropped on conversations that were transmitted by telephone lines to the federal building.

His former bookkeeper, Miss Jennie Alioto, 1634 N. Jackson st., also charged federal agents with bugging an apartment dwelling in which she formerly lived at 1609 N. Prospect av.

In addition, she charged, the agents drilled a "peephole" in the door of an adjacent apartment unit "to observe the comings and goings of the plaintiff."

Miss Alioto charged that the alleged illegal bugging and spying activities occurred "on or about Oct. 3, 1961."

Claims "Humiliation"

Balistrieri asked for damages totaling $1,750,000. Miss Alioto asked for a settlement of $1 million for what she alleged was a "loss of peaceful and lawful use of the premises" and for being "held up to humiliation and shame."

Both suits were filed by Atty. Joseph P. Balistrieri, son of Frank P. Balistrieri.

Both suits named some of the same defendants as the suit for $1 million filed Friday by Atty. Dominic H. Frinzi. Frinzi charged that his downtown law office was bugged in 1963.

Named in the Balistrieri suit were John A. Holzman, a Peoria (Ill.) magistrate and a former agent here for the federal bureau of investigation; Clark E. Lovrien, Madison, head of the state crime laboratory and a former FBI agent; Joseph A. O'Connell, 8924 W. Palmetto av., an FBI agent, and Alex P. Le Grand, 2576 N. 47th st., a former FBI agent and now a deputy administrator for the city building inspection department.

Others Named

Also named as defendants by Balistrieri were the telephone company and two of its

Balistrieri Miss Alioto

employes, Monroe Teske, 8433 N. Hadley st., and David Nelson, 1822 N. 81st st.

Except for Teske, Miss Alioto named the same persons as defendants in her case.

In addition, she named the Ogden Realty Co., owner of the N. Prospect av. apartment building, and Herbert A. Stein, 1090 W. La Salle st., a telephone company worker.

Sentenced to 2 Years

Balistrieri has been sentenced to a two year prison term and a $10,000 fine on two counts of evading payment of income taxes. He is free on bond, pending an appeal to the federal circuit court of appeals in Chicago.

Federal Judge Omer Poos earlier this month denied Balistrieri's request for a new trial. Balistrieri's attorneys had argued that the nightclub owner was convicted on the tax counts on the strength of evidence that was seized through illegal surveillance.

(Indicate page, name of newspaper, city and state.)

A-8
MILWAUKEE SENTINAL
MILWAUKEE WISCONSIN

Date: 10/21/69
Edition: FINAL
Author:
Editor: HARRY SONNEBORN
Title:

Character:
or
Classification:
Submitting Office: MILWAUKEE

☐ Being Investigated

92 3116 A
NOT RECORDED
NOV 18 1969

SEARCHED.....INDEXED.....
SERIALIZED.....FILED.....
OCT 21 1969
FBI — MILWAUKEE

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Balistrieri Sues Ex-Agents in Bugging

Frank P. Balistrieri, Milwaukee nightclub owner, Monday filed suit in circuit court for damages totaling $1,750,000, charging that federal agents unlawfully bugged his office at 2559-61 N. Downer av. on Mar. 9, 1964.

The suit named some of the same defendants as the suit for $1 million filed in circuit court last Friday by Atty. Dominic H. Frinzi. Frinzi charged that his downtown law office was bugged in 1963.

The Balistrieri suit, filed by his son, Atty. Joseph P. Balistrieri, named as defendants John A. Holzman, a Peoria (Ill.) magistrate and former FBI agent here; Joseph A. O'Connell, 8924 W. Palmetto av., an FBI agent; Alex P. LeGrand, 2576 N. 47th st., a former FBI agent and now deputy administrator of the city housing authority, and Clark E. Lovrien, Madison, head of the state crime bureau and a former FBI agent.

The suit also named the Wisconsin Telephone Co. and two of its employes, Monroe Teske, 8433 N. Hadley st., and David Nelson, 1822 N. 81st st.

Balistrieri's suit charged that a microphone was concealed in a wall at the Downer av. address and that conversations were transmitted by telephone lines into the federal building.

Frinzi's suit charged that the bugging device was in the ceiling of Frinzi's office in the Plankinton building. That had been disclosed earlier during the tax evasion trial of Balistrieri in Springfield, Ill.

Balistrieri has been sentenced to a two year prison term and a $10,000 fine on two counts of income tax evasion. On Oct. 9, Federal Judge Omer Poos at Springfield rejected Balistrieri's latest attempt to avoid prison. Poos ruled that evidence obtained in an illegal wiretap was not used to convict Balistrieri.

After that decision, which turned down a plea for a new trial, Balistrieri's lawyer said he would appeal to the 7th circuit court of appeals.

This year, Sen. John L. McClellan (D-Ark.) described Balistrieri in a speech on the senate floor as a member of one of the 22 principal families of the Cosa Nostra in the United States.

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(Indicate page, name of newspaper, city and state.)

B-1

MILWAUKEE JOURNAL
MILWAUKEE WISCONSIN

Date: 10/20/69
Edition: LATEST
Author:
Editor: RICHARD LEONARD
Title:

Character:
or
Classification:
Submitting Office: MILWAUKEE

☐ Being Investigated

92 - 3116 - A
NOT RECORDED
207 NOV 18 1969

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FD-350 (Rev. 7-16-63)

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Ex-Aide to Balistrieri Files Suit in Bugging

Miss Jennie Alioto, former bookkeeper for Milwaukee nightclub operator Frank P. Balistrieri, filed a $1 million suit Monday in circuit court charging that federal agents illegally bugged her apartment in 1961.

The suit was similar to ones filed earlier Monday by Balistrieri and Friday by Atty. Dominic Frinzi against federal agents and telephone company employes claiming that they unlawfully eavesdropped.

Miss Alioto, 42, said four federal agents tapped her telephone and hid a microphone in her former apartment at 1609 N. Prospect av., which she rented under the name of Loretta Fischer. She lives at 1634 N. Jackson st.

The suit said federal agents occupied an adjacent apartment and drilled a peephole in the door "to observe the comings and goings of the plaintiff." A radio receiver was placed in the apartment to pick up conversations from Miss Alioto's apartment, the suit said.

Miss Alioto said that as a result of the eavesdropping she suffered a loss of the peaceful and lawful use of her apartment. She said the eavesdropping came to light Oct. 17, 1966, during Balistrieri's federal tax evasion trial in Springfield, Ill.

Balistrieri has been sentenced to a two year prison term and fined $10,000 on two counts of evading income taxes. His case is being appealed. The trial judge earlier this month denied him a new trial.

Named defendants in Miss Alioto's suit were Joseph A. O'Connell, 8924 W. Palmetto av., an FBI agent here; three former FBI agents, John A. Holzman, a Peoria (Ill.) magistrate, Alex Le Grand, 2576 N. 47th st., deputy administrator of the city building inspection department, and Clark E. Lovrien, Madison, head of the state crime bureau; Ogden and Co., owner of Miss Alioto's former apartment; the Wisconsin Telephone Co., and two phone company employes, Herbert A. Stein, 1090 W. La Salle st., and David Nelson, 1822 N. 81st st., Wauwatosa.

(Indicate page, name of newspaper, city and state.)

B-3
MILWAUKEE JOURNAL
MILWAUKEE WISCONSIN

Date: 10/21/69
Edition: LATEST
Author:
Editor: RICHARD LEONARD
Title:

Character:
or
Classification: 92-
Submitting Office: MILWAUKEE

☐ Being Investigated

92-3116-A
NOT RECORDED
167 NOV 18 1969

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FD-350 (Rev. 7-16-63)

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Frinzi Sues For $1 Million In Bugging

Atty. Dominic H. Frinzi asked the circuit court Friday to award him $1 million because federal agents bugged his office.

Named as defendants were the Wisconsin Telephone Co.,

Dominic Frinzi

three of its employes and four government officials.

Frinzi said in the complaint that confidential conversations were overheard by agents who had hidden a microphone in his law office at 161 W. Wisconsin av.

The federal government has admitted that it bugged his office in 1963 "because of his association with prominent Milwaukee hoodlums. . . ."

At the time of the government announcement, Frinzi said he was "shocked at the false allegations of the government. . . ."

In his complaint, he said his reputation and professional standing had been injured by the defendants.

He said that agents broke into his office, removed a ceiling panel and installed the microphone. Wires from the microphone were run to a terminal box, owned by the Telephone Co., he said.

The suit claimed that conversations in the office and on the telephone were recorded by agents.

The first knowledge he had of the eavesdropping came in 1966 in a case in federal court in Springfield, Ill., involving Frank P. Balistrieri, a Milwaukee nightclub operator, he said.

Frinzi claimed the defendants conspired against him.

The men named in the suit are Alex Le Grand, former FBI agent and now deputy administrator of the building inspection department, of 2756 N. 47th st.; Clark E. Lovrien, of the state crime laboratory; John A. Holzman, former FBI agent, now an attorney and magistrate in Peoria, Ill.

Joseph A. O'Connell, 8924 W. Palmetto av., a former FBI agent; the telephone company and Herbert A. Stein, 1090 W. LaSalle av., Monroe L. Teske, 8433 W. Hadley st., and David Nelson, 1822 N. 81st st., officials of the company.

Thomas Eichenberger, general attorney for the company, said tht the firm was studying the matter but had no comment.

(Indicate page, name of newspaper, city and state.)

A-4
MILWAUKEE SENTINAL
MILWAUKEE WISCONSIN

Date: 10/18/69
Edition: FINAL
Author:
Editor: HARRY SONNEBORN
Title:

Character:
or
Classification: 92-
Submitting Office: MILWAUKEE

☐ Being Investigated

92-3116-1
NOT RECORDED
167 NOV 18 1969

67 NOV 19 1969

FD-350 (Rev. 7-16-63)

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Frinzi Cites Wiretap, Sues for $1 Million

Atty. Dominic H. Frinzi filed a $1 million suit in circuit court Friday charging that unlawful bugging of his downtown law office in 1963 by federal agents had injured his reputation and professional standing.

The defendants include three former FBI agents, a state crime laboratory official, the Wisconsin Telephone Co. and three company officials.

Dominic H. Frinzi

Among the defendants are Alex P. Le Grand, deputy city housing inspector and former FBI agent, and Clark E. Lovrien, Montello, head of the crime laboratory.

The bugging device was in the ceiling of Frinzi's office in the Plankinton building. Earlier that had been disclosed during the tax evasion trial in Springfield, Ill., of Milwaukee nightclub operator Frank P. Balistrieri. Frinzi himself called newsmen to show its presence in his office.

Bugging Admitted

The government admitted in a brief filed with the United States supreme court in opposition to the appeal of Balistrieri's conviction that agents had bugged Frinzi's office.

The brief said that Frinzi's office was bugged "because of his association with prominent Milwaukee hoodlums and in an effort to develop information bearing on a gangland murder." The murder was not identified in the brief.

The supreme court refused last April to review Balistrieri's income tax evasion conviction. However, the court ordered the case returned to the Springfield federal district court to determine whether other wiretapped conversations led illegally to Balistrieri's conviction.

The district court ruled against Balistrieri, who again has appealed to the seventh circuit court of appeals.

Objects to Action

Frinzi, of 2466 N. Oakland av., said in his suit that on Apr. 23, 1963, a microphone had been installed unlawfully in his office. Wires were run from the microphone, concealed in the ceiling, to a telephone company terminal box in the hall, he said. The wires reportedly were connected to working telephone lines.

The attorney charged that FBI agents conspired with the other defendants to eavesdrop and monitor conversations by telephone and in his office. He said the eavesdropping device was installed without his consent or that of his former law partners, Nicholas C. Catania and Edward F. Neubecker.

Other defendants are John A. Holzman, a Peoria magistrate and former FBI agent here; Joseph A. O'Connell, 8924 W. Palmetto av., a former FBI agent; Herbert A. Stein, 1090 W. La Salle av., Glendale; Monroe L. Teske, 8433 W. Hadley st., and David Nelson, 1822 N. 81st st., Wauwatosa, all telephone company employes. The defendants said they had no comment.

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(Indicate page, name of newspaper, city and state.)

A-14
MILWAUKEE JOURNAL
MILWAUKEE WISCONSIN

Date: 10/18/69
Edition: LATEST
Author:
Editor: RICHARD LEONARD
Title:

Character:
or
Classification: 92-
Submitting Office: MILWAUKEE

☐ Being Investigated

92-3116-A

NOT RECORDED
167 NOV 18 1969